

British Columbia Utilities Commission Annual Report

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COLUMBIA
UTILITIES
COMMISSION

chairman's report

MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

May It please Your Honour

The Commission faces unprecedented change both within the Commission and in the services it provides to the public and the utilities it regulates. Therefore, a key theme in my message this year is change. There has been change in terms of the emerging role of the Commission, the increasingly diverse and complex issues that come before it and change within the Commission to strengthen our ability to execute the Commission's mandate in an effective and transparent manner.

The Government's 2007 Energy Policy, "The BC Energy Plan – A Vision for Clean Energy Leadership," has had a profound impact on the energy industry. Initiatives arising from that Plan now appear frequently in applications before the Commission. In addition, new challenges arose from special directions and orders to the Commission requiring specific actions by the Commission as directed in the 2008 amendments to the Utilities Commission Act. One such initiative, the Inquiry with respect to "British Columbia's Electricity Transmission Infrastructure and Capacity Needs for

the Next 30 Years," is an undertaking of considerable public interest, complexity and significance. The Inquiry commenced in a timely manner and is progressing on schedule. Of particular note in terms of change to the Commission's workload were the February 2009 decisions of the British Columbia Court of Appeal clarifying the Commission's jurisdiction to assess the adequacy of Crown consultation with First Nations within the scheme of its regulation.

Objectives

To deal effectively with the emerging range of issues before the Commission and to address several pressing internal matters, it was clear to me that it was important to establish a number of objectives for change within the Commission.

I set the objectives following consultation with both internal and external stakeholders. These objectives have served to focus activity at the

Commission collectively and individually. They are reflected to some degree in all personal performance plans. The objectives are as follows:

- 1/ Move to a more inclusive relationship with key stakeholders;
- 2/ Demonstrate a knowledge of and support for the Energy Plan;
- 3/ Recognize and accommodate the expanded scope of decision making;
- 4/ Build competence and a depth of capability at the Commission;
- 5/ Build "Fairness" in Commission Proceedings; and
- 6/ Increase the use of technology to further Commission objectives and become more efficient and effective.

I am pleased to report progress is being made on each objective. I expect to see progress accelerate in the new fiscal year as the initiatives now in place gain momentum.

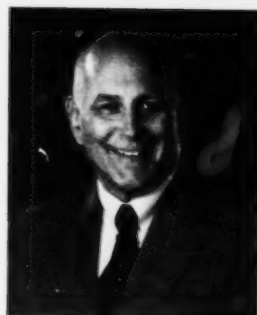
Transmission Inquiry

The Inquiry with respect to British Columbia's infrastructure and capacity needs for electricity transmission is required as a result of an amendment to section 5 of the Utilities Commission Act. Specific terms of reference for the Inquiry

were set by Ministerial Order in December 2008. To address the needs of the Inquiry, we reorganized our resources. This resulted in the appointment of an existing professional staff member to a new position, Director, Transmission Inquiry, and the promotion of one of the Commission's highly capable professional staff to an existing position, Director, Strategic Services. Due to the scope of the information to be considered and the lengthy time line for the Inquiry, five Commissioners were appointed to the Panel. The Inquiry will be a major focus for the Commission over the next year and a half and will certainly challenge the Commission's resources and resourcefulness.

I am pleased to report that in response to that challenge, everyone at the Commission is delighted to be given the opportunity to participate in this long term planning.

The infrastructure is vital to all British Columbians and will be critical to our future economic well being.



Len Kelsey
CHAIRMAN & CEO
EXECUTIVE

First Nations

In February 2009 the British Columbia Court of Appeal delivered its decisions in *Carrier Sekani Tribal Council v. British Columbia (Utilities Commission)* and *Kwikwetlem First Nation v. British Columbia (Utilities Commission)*. These decisions confirmed the Commission has the obligation to assess the adequacy of Crown consultation with First Nations within the scheme of its regulation. Guided by these decisions the Commission embarked on the development of the necessary guidelines, assessment processes and "tools" to enable it to properly carry out its responsibilities in this area. The British Columbia Environmental Assessment Office has considerable experience in this area and we are grateful for the secondment of a staff specialist to assist the Commission in the rapid start-up of this development work. In the longer term we expect the Commission will require its own staff specialist.

Mandatory Reliability Standards

To participate as an importer or exporter of electric power, British Columbia must comply with certain regulations and standards of

operation designed to protect the integrity of the North American power system. The extensive blackout in eastern North America a few years ago exposed inadequacies in existing reliability regimes. Until then, the North American Electric Reliability Corporation and regional coordinating entities established voluntary reliability standards for the planning and operation of the North American bulk power system. The recent amendment to the Utilities Commission Act gives the Commission exclusive jurisdiction to determine whether a reliability standard is in the public interest and should be adopted in British Columbia. As an important step in the implementation of this jurisdiction, a Ministerial Order made a Mandatory Reliability Standards Regulation which describes the parties that are subject to reliability standards. The Commission is proceeding with the determination of the mandatory reliability standards to be adopted in British Columbia. Work is also underway to provide for the administration of the adopted reliability standards, including compliance monitoring.

Competence and Depth of Capability

Without the appropriate in-house professional qualifications, knowledge, skill sets and experience, the Commission's ability to carry out its responsibilities is jeopardized. Following an assessment of the Commission's human resources, issues of staff recruitment and retention, development and succession planning became a priority for the Commission. Considerable progress has been made in building key areas of competency although the emerging needs of the Commission and pending retirements will require continuing attention. Professional development has become a regular part of the Commission calendar. Everyone at the Commission deserves credit for participating regularly and enthusiastically in workshops, seminars, "lunch and learn" sessions and professional days. In terms of the breadth and depth of its in house competencies, the Commission is in a stronger position today than in recent years to fulfill its mandate.

Technology

Although the Commission makes reasonable use of technology in its work, an informal survey of other similar tribunals across Canada shows we are falling behind. While this creates a challenge for the Commission to become more efficient, it also creates at the same time an opportunity to become more environmentally conscious. Most applications and reports are filed with the Commission on paper and in multiple copies with a supplementary electronic filing. Most work on a submission is carried out on the paper copies, with the electronic copy being used when developing information requests, correspondence and reasons for decision. A systems initiative is underway to move to what will be essentially an all electronic document management system. Documents will be managed and viewed internally in electronic format. In oral hearings participants will view documents in electronic format. Paper filing will be markedly reduced. The expected savings in time, clerical work and file storage will be substantial. Reducing paper usage and limiting storage requirements also supports government's greenhouse gas

reduction targets. We expect the revised work flow will improve several clerical positions by providing an opportunity for incumbents to move to more satisfying and productive work. As the year closes, system objectives have been developed, external stakeholders have been consulted on possible systems changes, and vendor choices are under review.

The Annual Report

Section 13 of the Utilities Commission Act requires the Commission to submit a report to the Lieutenant Governor in Council for the preceding year setting out a brief summary of all applications and complaints, Commission findings, and reporting on other matters considered to be in the public interest. Consistent with previous Annual Reports, the reporting timeframe is for the fiscal year. Pursuant to the Utilities Commission Act and the Budget Transparency and Accountability Act, I respectfully submit this Report on the activities of the British Columbia Utilities Commission for the fiscal year 2008/2009.

In closing, I think it is important to acknowledge that the work of the Commission is the result of the individual and collective talents, skills and commitment of Commission staff and Commissioners. In keeping with my theme of change, the content of this Annual Report, in addition to meeting the statutory requirements, serves to identify and recognize the Commission's most important resource, its people.

Accepting and embracing change within an established organization often presents a challenge. However, I am pleased with the very positive reaction both staff and Commissioners have had to the changes that appear to have become part of everyday life at the Commission. Their wisdom and enthusiastic support is acknowledged and appreciated. I also thank the many stakeholders who participated in Commission processes in the past year.



Len Kelsey
CHAIR & CHIEF
EXECUTIVE OFFICER

Introduction

The British Columbia Utilities Commission is a regulatory agency of the Provincial Government, operating under and administering the Utilities Commission Act. The Commission's function is quasi-judicial and it has the power to make legally binding rulings. Decisions and orders of the Commission may be appealed to the Court of Appeal on questions of law or jurisdiction. The Commission's primary responsibility is the regulation of the public utilities under its jurisdiction and the regulation of certain aspects of automobile insurance pursuant to the Insurance Corporation Amendment Act. The Administrative Tribunal Act also applies to matters before the Commission.

Through an open and transparent regulatory review process, the Commission ensures that the:

- energy utility operations provide safe, adequate and secure service to their customers;
 - shareholders of public utilities under its jurisdiction are afforded a reasonable opportunity to earn a fair return on their invested capital;
 - Insurance Corporation of British Columbia universal compulsory automobile insurance is adequate, efficient, just and reasonable; and
 - ICBC optional insurance is not subsidized by other ICBC operations.
- rates charged for energy are fair, just and reasonable;



The Commission also reviews energy-related and basic automobile insurance matters referred to it by Cabinet. These reviews usually involve public inquiries, followed by a report and recommendations to Cabinet. In addition, under Part 7 of the Pipeline Act, the Commission establishes tolls and conditions of service for intraprovincial oil pipelines. The Commission has responsibilities under the Utilities Commission Act for electricity transmission facilities, energy supply contracts and the issuance of gas marketer licenses.

The Commission is self-funded; its costs are recovered primarily through a levy on the organizations it regulates. The work of the Commission is important to the population of British Columbia because the effects of regulation instill a high degree of public confidence that competing interests among monopolies, consumers and other stakeholders are reconciled. Likewise, the effects of regulation send a message to the community beyond British Columbia that the province is a safe and fair place to do business.

The Utilities Commission Act provides for the appointment of a Chair, one or more Deputy Chairs and Commissioners by the Lieutenant Governor in Council. As of March 31, 2009 there were eight part-time Commissioners, one full-time Commissioner and the Chair. There were 25 Commission staff, including professional engineers, accountants, economists and administrative staff. The Commission is located in Vancouver at 900 Howe Street.

Commission staff are organized into an Information Services Group, three specialist professional divisions and a group responsible for the electricity transmission inquiry. The activities of the Commission are supported by the finance and administration office.

Several years ago, for the purpose of providing internal direction and guidance, the Commission established a vision, mission statement and several value statements. The Commission remains committed to these, as stated below:

Vision

To be a respected regulator of public utilities

Mission

To ensure that ratepayers receive safe, reliable, and nondiscriminatory energy services at fair rates from the utilities it regulates, and that shareholders of those utilities are afforded a reasonable opportunity to earn a fair return on their invested capital.

Value Statements

The Commission is committed to:

- Ensure arms-length, independent, and accountable regulation of utilities and ICBC.
- Apply regulatory principles, research and industry knowledge to resolve problems concerning public utilities or the regulated portion of automobile insurance.
- Render decisions that are timely, fair, workable and respected.
- Write high quality decisions, reports and publications.
- Communicate effectively and transparently with co-workers, utilities, ratepayers, government and the public.
- Promote learning, innovation, creativity and the achievement of personal and professional goals.

Commission Services

In addition to its regulatory responsibilities, the Commission provides the following services and assistance:

- review ratepayers' complaints about the actions of utilities, ICBC and independent gas marketers;
- provide copies of documentation prepared by the Commission (e.g., brochures, guidelines, orders, decisions, etc.) at no charge. These documents are also posted and available for download from the Commission's web site: www.bcuc.com;
- provide access to the Tariffs of regulated utilities and to the Code of Conduct and Rules for Gas Marketers;
- provide access to information filed in public hearings;
- respond to requests for general information regarding utilities and ICBC; and
- respond to requests for general information regarding participating in Commission processes and making applications to the Commission.

Regulatory Functions and Responsibilities

The Commission assigns a panel of Commissioners to review and make determinations on major applications and other matters submitted to the Commission. The Commission meets regularly to review utility and ICBC applications, to authorize the issuance of Commission orders or other directives considered necessary and in the public interest, to review complaints and to conduct other necessary Commission business. Regulatory tasks are carried out using an interdisciplinary team approach. The professional staff assigned to a task is normally composed of specialists from disciplines of engineering, accounting and economics and is advised, as appropriate, by legal counsel and specialist consultants retained by the Commission.

Who is the British Columbia Utilities Commission?

Information Services Group

This group consists of the Commission Secretary, the Assistant Commission Secretary, Customer Choice Administrator, and several support positions. The Commission Secretary acts as the official contact for both regulated organizations and the public. The department responds to all requests for information (including Freedom of Information requests), prepares periodic reports and quarterly regulatory updates, provides research support, web site services, media interaction, maintains application exhibit binders, the Commission's database of mailing lists, and library services. It also deals with natural gas marketer and utility customer complaints and operates and maintains the Commission's information resources.

Professional Divisions

Employees with expertise in the areas of accounting, economics, ratemaking, and engineering make up the professional divisions. The functions of these divisions include the review of financial, accounting, social and economic aspects of energy utility activities and of the provision of basic automobile insurance by ICBC. The professional divisions review energy supply and demand, including conservation impacts, and the safety aspects of energy production, transmission, and distribution. In considering a matter under review by the Commission, the professional divisions have a responsibility to develop a full record of evidence. This often requires that staff be technical advisors to the Commission, and also provide external expert witnesses to testify at hearings.

Electric Transmission

Inquiry Group

The Utilities Commission Act requires the Commission to conduct an inquiry with respect to British Columbia's long-term electrical transmission requirements. This is a new assignment which must commence in 2009 and be repeated at least every six years after the conclusion of the previous inquiry. Accomplishing this assignment required a re-organization of Commission resources to establish dedicated leadership and appropriate staff resources. It is not the intention of the Commission to retain this organization as a group after the current inquiry is complete in 2010.



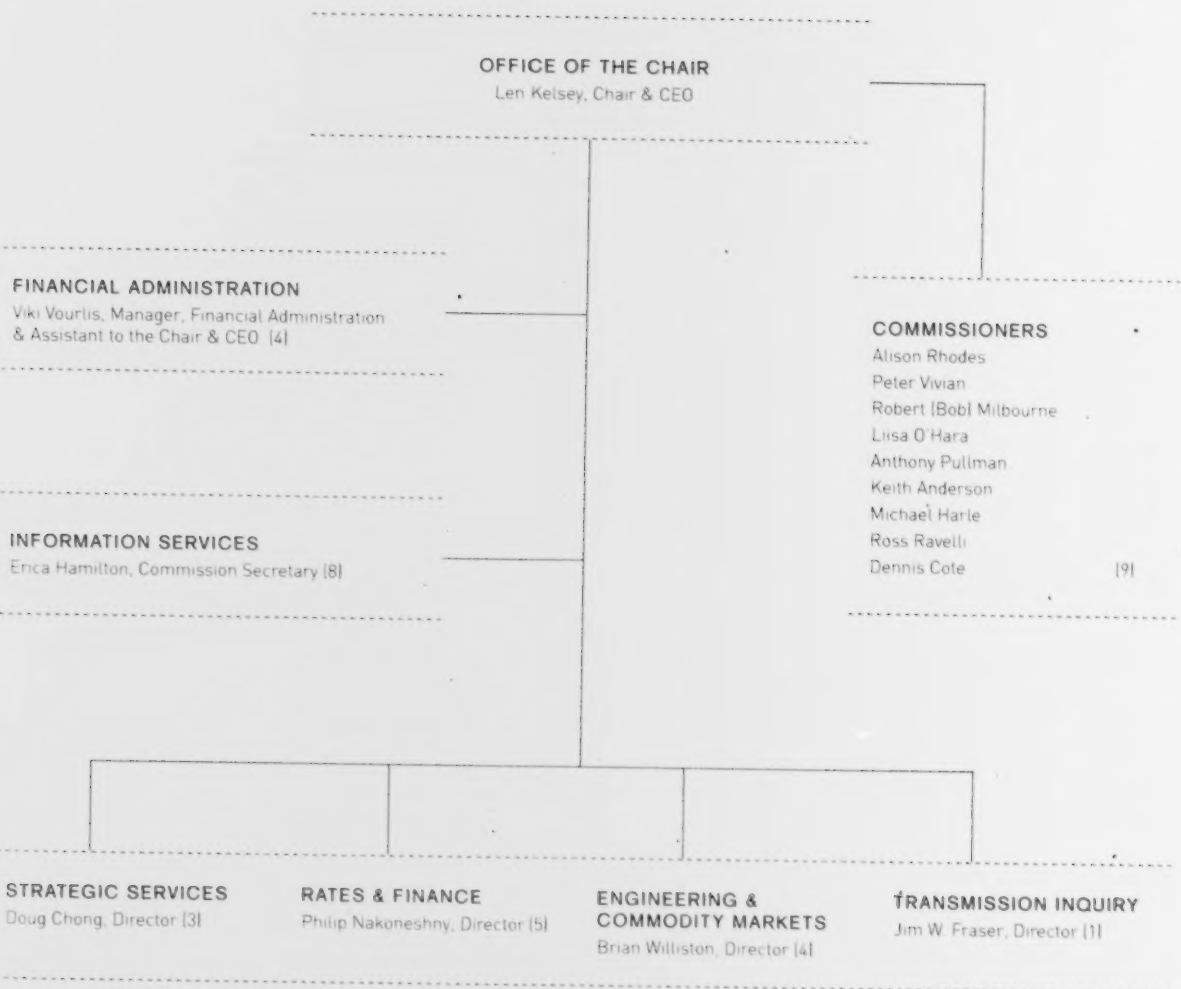
Financial Administration Office

The financial administration office conducts background research and prepares decision support for management policies and decisions and provides a range of administrative, financial, intra-governmental and human resource services to staff, the Chair and CEO and Commissioners.

The organizational chart on page 13 shows the reporting structure within the Commission. The Chair and CEO is responsible for managing human resources, performance management, and compensation issues.



BRITISH COLUMBIA
UTILITIES COMMISSION
ORGANIZATIONAL CHART



BRITISH COLUMBIA
UTILITIES COMMISSION
DIVISIONS

Senior Management Team & Chair

PHILIP NAKONESHNY / BRIAN WILLISTON / LEN KELSEY /
VIAT VOURLIS / JIM FRASER / ERICA HAMILTON / DOUG CHONG



Information
Services

YVONNE LAPIERRE
DANIELA BUEST
KATHY GRASTY
VIVIAN LEE
ALISON CORMACK
ERICA HAMILTON
KAYLA O'NEILL
MISSING
DUNSTACE SMITH
MARK HUDSON

Rates & Finance

YOLANDA DOMINGO / CLAUDIA McMAHON /
PHILIP NAKONESHNY / KRISTINE BIENERT /
MISSING SUZANNE, SUE



Financial
Administration

DENISE BOUZARD /
VIVIAN VOUREL /
WIM BROOKS



Engineering & Commodity Markets

BOB BROWNELL / BRIAN WILLISTON /
MARK THOMAS / DON FLINTOFF



Strategic Services

DOUG CHONG / EILEEN CHEN / TONY ROBERTS

COMMISSIONER
BIOGRAPHIES

*Lee Kelsey, Chair &
Chief Executive Officer*

Vice President British Columbia Automobile Association (18 years), Chief Operating Officer, BCAA Insurance Corporation, retired 2002; past Member B.C. Committee, Insurance Bureau of Canada; Public Administrator and past Chair, North Shore Health Region; independent Business Consultant; appointed September 2003. Prior to appointment as Chair, acted as a Commissioner for the British Columbia Utilities Commission from 2003-2008.

Alvin W. Boudreau, Commissioner

University of British Columbia, 1976 (B.A. - economics major); University of Western Ontario, 1983 (LL.B., MBA); Practiced law 1984 to 2004; Vice President Jardine Lloyd Thompson Canada - 2004 to 2008; appointed December 2007.

Dennis A. Cote

Commissioner (Part-time)

Bachelor of General Studies from Simon Fraser University retired as the Vice President, Product Development and Support from the British Columbia Automobile Association. He has held various executive roles with British Columbia Automobile Association including Vice President of Sales, Director of Travel Services, and Regional Manager. Mr. Cote is currently a Travel Advisory Committee member with the Business Practices and Consumer Protection Authority. In the past, he has served as Vice President and board member with the Alliance of Canadian Travel Agents of British Columbia.

*Robert J. (Bob) Milbourne,
Commissioner (Part-time)*

University of British Columbia (BASc Metallurgical Engineering); P.Eng. (B.C., Ontario); Stelco Inc., retired as Senior Executive and Member of the Board of Directors 1996; Principal, Milbourne and Company (Business Advisors) 1997; Hatch Associates Ltd., Director 1997-2002; Bruce Power Inc., Director 2001; Member Ontario Human Rights Commission 1991-1996; Member, B.C. Securities Commission 2002; appointed August 2003.

Peter E. Vézina

Commissioner (Part-time)

University of Toronto, 1965 (Bachelor of Applied Science - Electronics); University of Western Ontario (Bachelor of Law), Flight Lieutenant, RCAF; Professor of Law at the universities of Western Ontario, Ottawa and Victoria; General Manager, Canadian Law Information Council (1975-77); various positions with the BCE Inc. group of companies (1977-97); Vice President and Chief of Staff, The Business Council on National Issues (now the Council of Canadian Chief Executives) (1982-84, 1989-90); Executive Director, Telecommunications, CRTC (1998-2000); Principal, Vivian Associates, Consultants to Management (2000-present); appointed August 2003.

Laura A. O'Hara**Commissioner (Part-time)**

University of British Columbia, 1976 (M.Sc., Business Administration), Certified General Accountant, 1984, senior pipeline executive (21 years), retired from Terasen Pipelines in 2004 as Vice President, Financial Services and Regulatory Affairs; prior to the career in energy, Manager Financial Analysis and Regulatory Affairs with CP Air (8 years). Currently serves as Executive in Residence at Sauder School of Business, UBC; appointed in January 2005.

Anthony T. Pulliam**Commissioner (Part-time)**

Keble College Oxford (B.A. 1967, M.A. 2001), Chartered Accountant 1970, retired from the ATCO Group in 2004 after 24 years of service - Vice President Controller Alberta Power Limited (1980-1985); Vice President Controller and Vice President Planning and Budgeting ATCO Ltd (1985-1993); Senior Vice President Finance ATCO Power Ltd (1993-2004); Chairman Calgary District Hospital Group (1989-1991); Chairman Alberta Blue Cross Plan (1996-1998), appointed March 2006.

A.W. (Kerrie) Anderson**Commissioner (Part-time)**

Bachelor of Commerce, University of Alberta, Chartered Accountant, Retired from PricewaterhouseCoopers in 2001 as partner responsible for PwC's energy utilities practice in Canada, over 35 years experience as a strategic planning, financial, and regulatory consultant in the energy utilities and other sectors including

gas, electric and pipeline utilities, financial institutions, telecommunications and transportation companies, currently an independent financial and management advisory consultant and serves as a director and advisor of private corporations; appointed April 1, 2006.

Michael R. Hume**Commissioner (Part-time)**

Bachelor of Commerce, (Carleton 1967), Chartered Accountant (Ontario, 1970 and Alberta, 1979) and Certified Management Consultant (Alberta 1979). Over forty years experience as a professional consultant and business executive; retired from IBM where for the past five years he was the Partner responsible for IBM Global Business Services for the Alberta and Saskatchewan Public Sectors, including government, health, and education. Prior to that he spent 35 years with PricewaterhouseCoopers Consulting and its predecessor companies where he was partner responsible for public sector services in the Prairie Provinces and northern Canada.

Blair K. Beardsley**Commissioner (Part-time)**

The owner of Ravelli Farms Ltd, a third generation 2,500 acre grains and oilseeds farm bordering the City of Dawson Creek. An extensive career in farm organizations beginning in the late 1980s; initially focused on provincial issues, over the past ten years has had the opportunity

to lead two national organizations, the Canadian Canola Growers Association (President 2002-06) and recently completed his second term and is also President of the 80,000 member Grain Grower of Canada (2006-2008). Has traveled extensively both nationally and internationally representing the interests of both Canadian agriculture and Canadian agricultural producers.

Robert H. Holden, M.Sc., M.B.A.**Chief Executive Officer (appointed August 2008 through May 2009)**

Brandon University, 1979 (B.Sc. Mathematics), University of Manitoba, 1982 (LL.B.), University of Western Ontario, 1987 (M.B.A.); 1989 - 2001 Aquila Networks Canada (British Columbia) Ltd, last position held Vice President, Regulatory and Legislative Services; Member of the Law Society of British Columbia (inactive); appointed full-time Commissioner March 2003.

Nadine F. Nyghator, Commission**(Part-time) (appointed March 2006 through October 2008)**

University of British Columbia, 1976 (B.Sc. Mathematics); University of British Columbia, 1982 (M.Sc.), rates economist, British Columbia Hydro and Power Authority (1980-83); electricity utilities advisor, Government of the Northwest Territories (1990-92); energy policy consultant in the Northwest Territories (1993-98).

Special Directives

Following are the Special Directives received throughout 2008. A complete listing of Special Directives can be found on the Commission's website at [www.bcuc.com/About the BCUC/ Special Directives](http://www.bcuc.com/About%20the%20BCUC/Special%20Directives).

Order in Council No. 027

Approved and Ordered January 17, 2008 – Orders that section 1 of the Heritage Special Directive No. HC1 to the British Columbia Hydro and Power Authority, O.I.C. 1125/2003, is amended by repealing and replacing the definition of "equity."

Order in Council No. 028

Approved and Ordered January 17, 2008 – Orders that the Heritage Special Direction No. HC2 to the British Columbia Utilities Commission, B.C. Reg. 158/2005, is amended by repealing and replacing the definition of "deemed equity" as well as the addition of clarification words to sections 1 (b), (c), and (d).

Order in Council No. 849

Approved and Ordered November 27, 2008 – Orders that section 11 (2) of Appendix A to the Heritage Special Direction No. HC2 to the British Columbia Utilities Commission, B.C. Reg. 158/2005, is repealed.

Ministerial Order No. M 271

Approved November 6, 2008 – Orders regulation and changes to the Utilities Commission Act to be applied only with respect to demand-side measures proposed by the authority (BC Hydro).

Order in Council No. 074

Approved February 17, 2009 – Amendments to sections 4 and 7 of HC2 increasing BC Hydro's revenue requirements for F2010, F2011, and F2012 in order to afford BC Hydro the opportunity to earn its previously determined pre-income tax annual return on equity plus an additional 1.63 percent; and to allow BC Hydro to establish a deferral account for F2010 to defer for recovery in a later fiscal year(s) the difference between the revenue required under section 4 pre-February 17, 2009, and the revenue now required under that section.

Background

Following on the 2002 Energy Plan, the Government released its 2007 Energy Plan: "A Vision for Clean Energy Leadership" in February 2007. The plan identified policy actions in the areas of energy conservation and efficiency, electricity, alternative energy and oil and gas. To implement several of the policy actions, Bill 15 amended the Utilities Commission Act to broaden the mandate of the Commission and provide the following directions to the Commission and public utilities:

- the Commission must periodically conduct an inquiry to make determinations with respect to British Columbia's long term infrastructure and capacity needs for electricity transmission;
- a public utility must file with the Commission long term resource plans that address demand for energy, effect of demand-side measures, facilities to be constructed and energy to be purchased;
- a public utility may file with the Commission for formal acceptance schedules of expenditures for demand-side measures, capital expenditures and expenditures for acquiring energy;
- when reviewing a long term resource plan, an expenditure schedule, an application for a CPCN or an energy supply contract, the Commission must consider a number of specified factors, including the Government's energy objectives;
- the Commission must set rates for BC Hydro in accordance with prescribed requirements, factors and guidelines, and may not set BC Hydro rates that increase the revenue-cost ratio for a class of customers by more than two percent per year;
- BC Hydro must achieve electricity self-sufficiency by 2016;
- BC Hydro and prescribed public utilities must pursue actions to achieve a goal that at least 90 percent of the electricity generated in British Columbia is from clean or renewable resources;

- BC Hydro must establish a standing offer program for the purchase of electricity from small generators;
- BC Hydro must put a smart meters program into operation by the end of 2012; and
- The Commission must adopt mandatory reliability standards for the bulk electrical power system in British Columbia, and is responsible for administration of the standards.

A summary of the decisions and orders issued by the Commission in 2008/09 is found commencing on page 37 and on page 78 of this Annual Report.

Highlights in Operational and Financial Performance

Proceeding Days

The number of proceeding days remained relatively consistent from 2007/08 to 2008/09 at 60 and 62 respectively (including hearings, procedural conferences, alternative dispute resolution, workshops, Community Input Sessions, and

meetings related to annual reviews of Performance-Based Regulation agreements). There were 33 oral public hearing days in 2008/09, as compared to 31 in 2007/08. There were 8 alternative dispute resolution days in 2008/09 and 20 days dedicated to procedural conferences and workshops.

Organizational Efficiency and Effectiveness

In 2008/09, the Commission had a compliment of one full-time Commissioner and eight part-time Commissioners.

In 2008/09 the Commission staff compliment was 25, an increase of two from last fiscal year. During the year two regulatory staff left the Commission for employment which provided greater compensation. The current approved levels of compensation are proving to be a challenge in terms of recruiting and retaining the competency levels required at the Commission. The Commission's competitors for competent staff include energy and utility companies, public utilities, as well as other regulators. Staffing expenditure constituted approximately 49 percent of the Commission budget in 2008/09.

The Commission has the authority to grant cost awards to intervenors in a proceeding before the Commission. Following a review, the Commission approved revised Participant Assistance Cost Award Guidelines in 2007 to ensure intervenor submissions are useful, their efforts are not duplicated, and costs claimed are reasonable. In 2008/09, the Commission issued 24 participant funding decisions totaling \$494,107.06, down from 32 funding decisions totaling \$1,387,921.39 in 2007/08. In 2007, the Sierra Club of Canada, the BC Sustainable Energy Association and the Peace Valley Environment Association collectively appealed participant funding decisions of the Commission made in January and February 2007. The BC Court of Appeal heard the case in February 2008 and, in a judgment issued in March 2008, dismissed the appeal.

The costs of the Commission can be measured by cost per utility customer and cost per unit of energy sold. In fiscal year 2008/09, the cost of regulation per customer was at \$0.88 (up from \$0.86 in 2007/08) and the cost of regulation per energy service customer was \$1.23 up from \$1.12 in 2007/08. The cost of regulation per gigajoule of energy sold in 2007/08 was 1.12 cents and 1.23 cents for 2008/09. The total expenditure for fiscal 2008/09 was \$5,234,879.62; the approved budget was \$5,933,000.00.



includes ICBC and energy regulatory customers

Highlights in Natural Gas

Natural Gas Commodity Costs

Natural gas prices across North America are influenced in the short-term by weather, the price of competing fuels and gas storage levels. The level of economic activity, number of wells drilled, crude oil prices and other factors affect the gas supply/demand balance and impact gas prices over the longer term.

Market prices for natural gas across the North American continent increased sharply in the winter of 2000/01, and since then have showed high volatility as gas demand became more weather-dependent. Colder weather during February and March 2008 increased withdrawals from storage and caused spot and forward prices to increase significantly. Gas prices continued to move upward in step with increasing crude oil prices until June 2008, when they reached near-record levels of approximately \$11 per gigajoule in northern British Columbia. After peaking in summer 2008, oil and gas prices quickly tumbled during the remainder of 2008, with gas reaching a price of \$4 per gigajoule in March 2009.

Although the price of crude oil has rebounded in 2009, the price of gas continues to soften somewhat. This is due to higher than normal storage levels, the result of reduced demand in the current weak economic conditions, new supplies of unconventional shale and tight-formation gas and increased liquefied natural gas imports to North America. Going forward, higher crude oil prices, currently reduced drilling activity and increased demand from a strengthening economy are expected to cause gas prices to increase. The development of the shale and tight-formation gas resources identified in the Province and elsewhere may moderate the price increase. Also, these unconventional resources have led to proposals to construct an LNG export terminal in British Columbia.

Although the Commission does not regulate the competitive market for the natural gas commodity, it requires utilities to provide quarterly reviews of gas prices and deferral account balances. Such deferral account mechanisms are intended to "smooth" changes in utility rates when gas prices change.

The result is that British Columbia customers tend to pay less than the full market price when gas prices are high and pay slightly more than the current market cost when gas prices are low. The Commission reviews utility gas supply contracting and hedging plans to ensure that, within the limits of market prices, the utilities purchase reliable supplies at the lowest cost possible.

Gas Commodity Unbundling and Customer Choice

The trend toward reorganization in energy markets throughout North America led to increased pressure on the Commission from customers and energy providers alike to ensure that customers are offered more options and that utility services are provided in a fair, open and non-discriminatory manner. The entry of non-regulated companies into the market for energy services increases the complexity of regulating energy utility services. A necessary condition for securing competitive prices for natural gas and electricity is that the remaining monopoly transmission and distribution utilities be regulated to ensure market participants receive fair access to deliver their energy at non-discriminatory rates.

As a result of the 2002 Energy Plan, Terasen Gas implemented Commodity Unbundling Service for commercial customers effective November 1, 2004. The commercial program was introduced as the first step in a phased approach. The unbundling service option was designed for small commercial customers, as large volume customers already had access to alternative suppliers. In order to successfully introduce commercial unbundling, a regulatory and consumer protection framework was required. The framework included utility tariffs, a consumer education program, Rules and a Code of Conduct for Gas Marketers, and licensing requirements. These measures were intended to provide that customer confidence in the program would not be tarnished by marketer abuses or consumer misunderstanding.

Building on the success of the commercial program in attracting a significant number of customers, the Commission worked with Terasen Gas, Gas Marketers and

other stakeholders to expand the Commodity Unbundling program to include residential customers commencing November 2007. Terasen Gas upgraded its computer systems and other processes to handle an expected large increase in customer enrollments. In addition, customer education programs and a dispute resolution process were developed to supplement consumer protection measures already in place for the commercial program. To provide better oversight of the activities of the sales agents that represent Gas Marketers, the Commission implemented mandatory Third Party Verification for all residential sales transactions. The Commission made changes to strengthen the Code of Conduct for Gas Marketers, and increased its monitoring and enforcement of the requirements of the Code. The residential program is termed Customer Choice. Residential consumers are permitted to select a natural gas supplier other than Terasen Gas on a fixed price contract basis for up to five years. Currently, thirteen gas marketers are licensed by the Commission.

As of March 2009, 20,122 commercial customers have chosen to participate, which is 24 percent of the eligible market. Also, 118,225 residential customers, which is 16 percent of that market have chosen to participate. This represents a very significant level of customer participation in the program.

The dramatic increase in marketing activity and customer numbers in the Customer Choice program is accompanied by a significant number of complaints registered with the Commission and Terasen Gas. In the first year of Customer Choice, the Commission dealt with 9,929 disputes between customers and Gas Marketers. In 2008/09, the Commission dealt with 3,404 disputes. The Commission will continue to make changes to strengthen the Code of Conduct for Gas Marketers and to strengthen its monitoring and enforcement of the requirements of the Code.

Highlights in Electricity

Amendments to the Act

The amendments to the Utilities Commission Act in 2008 to implement the 2007 Energy Plan resulted in a significant expansion of the Commission's regulatory activities related to BC Hydro and British Columbia Transmission Corporation, particularly regarding the inquiry into long term electricity transmission needs and the adoption of mandatory reliability standards for the bulk transmission system.

Reliability Standards

Following the 2003 blackout in the eastern part of the continent, governments have taken steps to provide reliability standards for the bulk electrical power system in North America that are mandatory and enforceable. The 2008 amendment to the Utilities Commission Act recognizes the North American Electric Reliability Corporation and the Western Electricity Coordinating Council as reliability standard-making bodies for the bulk electrical power system, and gives the Commission jurisdiction to determine whether a reliability standard should be adopted in British Columbia. Ministerial Order

M039 dated February 22, 2009 made a Mandatory Reliability Standards Regulation, which prescribes the parties that are subject to adopted reliability standards.

First Nations

In February 2009 the British Columbia Court of Appeal returned the Decisions on a BCTC project and a BC Hydro electricity purchase to the Commission for further consideration because the Commission had not considered if the Crown had adequately consulted and, if necessary, accommodated potentially affected First Nations prior to making the Decisions.



Projects

In December 2008, the Commission granted BCTC a Certificate of Public Convenience and Necessity for the Central Vancouver Island Project. This 230 kilovolt transmission line and substation will reinforce the transmission system on central Vancouver Island.

In December 2008 BCTC placed the Vancouver Island Transmission Reinforcement Project into service. The new 230 kilovolt line from South Delta to North Cowichan was approved in July 2006 and is required to meet growing customer load on Vancouver Island.

In October 2008 the Commission granted FortisBC a CPCN for the Okanagan Transmission Reinforcement Project. This 230 kilovolt transmission line and substation upgrade project will reinforce the transmission system between Penticton and Oliver.

In January 2009 the Commission granted FortisBC a CPCN for the Benvoulin Substation Project, to reinforce the distribution system in south central Kelowna.

Inquiry

Section 5 of the Utilities Commission Act directs the Commission to conduct an inquiry with respect to British Columbia's long-term infrastructure for electricity transmission, and to begin the inquiry by March 31, 2009. The Government specified terms of reference for the Inquiry on December 11, 2008.

On March 24, 2009 the Commission issued Order G-30-09 which started the Inquiry by establishing a preliminary workshop and a procedural conference. The Inquiry continues. The Commission must issue its draft Inquiry report by June 30, 2010 for public comment before finalizing it and submitting it to Government.

Highlights in Automobile Insurance

Canadian Auto Insurance Rate Regulators Association

In 2007 automobile insurance rate regulators held an inaugural conference hosted by the New Brunswick Insurance Board. A major outcome from the 2007 conference was the initiative put forward to form an insurance rate regulators

association. In 2008, at the conference hosted by Alberta, the association was formalized and delegates from across Canada approved a new association called the Canadian Auto Insurance Rate Regulators (CARR) Association. The Commission is a founding member of CARR. The mission of CARR is to provide a forum where members can share best practices, identify key issues and learn through educational opportunities so that they are better informed and able to fulfill their jurisdictional mandates.

Insurance Corporation of British Columbia

ICBC did not file a revenue requirements application in 2008; as such there was no general rate change for Basic Insurance during the year. In F2008/09 the Commission approved a negotiated settlement agreement between ICBC and many of the participants regarding the allocation of regional claim centre costs.

The Commission also directed ICBC to prepare and file an application for approval of a Proposal Plan for the identification and selection of an independent third party to review, report on and make recommendations with respect to ICBC's financial allocation methodology. Subsequently, ICBC filed the Proposal Plan. After receiving input on the filing in a Workshop, ICBC made amendments to its filing. Submissions were received on the revised Proposal Plan. After review of the submissions the Commission approved the Revised Terms of Reference. ICBC is to issue an Expression of Interest for this work.



2009/10 anticipated events

During the 2009/10 fiscal year the Commission expects to review the following major applications:

British Columbia Hydro & Power Authority

- Bio-Energy Call Phase 1 EPAs
- Remote Community Electrification CPCN (Toad River)
- Standing Offer Program EPAs
- Mica Switch Gears
- Waneta Transaction
- GM Shrum Units 1-5 Turbine Upgrade Projects
- Dimmed Streetlight Rate Schedule
- Large General Service Rate Revision
- Standards of Conduct Changes
- Clean Power Call EPAs
- Spillway Gate Projects (Stave Falls, Keenleyside)
- F2011 Revenue Requirements
- Mica 5/6 Implementation
- Smart Metering Infrastructure

British Columbia Transmission Corporation

- Vancouver City Central Transmission Project
- Columbia Valley Transmission Project
- F2011 Revenue Requirements
- Section 5 Transmission Inquiry

FortisBC Inc.

- Net Metering
- Code of Conduct & Transfer Pricing Review
- Corra Linn Unit 1 Life Extension
- Rate Design Application
- 2010 Revenue Requirements
- Upper Bonnington Generating Plant Old Unit Repowering CPCN
- NERC Mandatory Reliability Standards Mitigation Plan
- 2009 Resource Plan Evidentiary Update (possible)
- Advanced Metering Infrastructure CPCN
- 20-Year System Development Plan
- 10-Year Demand Side Management Plan
- 2011/12 Capital Expenditure Plan

**Insurance Corporation
of British Columbia**

- 3rd Party Review of Financial Allocation Methodology
- Basic Insurance Revenue Requirements Streamlining Proposal
- Fleetplan Rate Design
- 2010 Revenue Requirements
- Rate Design Application on Driver Record Rating Model

**Pacific Northern Gas Ltd./Pacific
Northern Gas (N.E.) Ltd.**

- PNGIN E.J. - 2010 Revenue Requirements
- PNG-West - 2010 Revenue Requirements
- Capital Structure and Equity Risk Premium

**Terasen Gas Inc./Terasen Gas
(Vancouver Island) Inc./Terasen
Gas (Whistler) Inc.**

- Terasen & TGVI ROE and Capital Structure
- Terasen Customer Care Enhancements CPCN
- Terasen 2010/11 Revenue Requirements
- TGVI 2010/11 Revenue Requirements and Rate Design
- Gas Supply Mitigation Incentive Program
- Tilbury Land Purchase CPCN
- Terasen Whistler 2010/11 Revenue Requirements
- Terasen Fort Nelson 2010 Revenue Requirements (if required)
- Mt. Hayes Storage Facility First Nations Investment
- Advanced Meter Reading CPCN

report on performance

The Commission's overarching mandate is to ensure that ratepayers receive safe, reliable and nondiscriminatory energy services at fair rates from regulated energy utilities, that shareholders of those energy utilities are afforded a reasonable opportunity to earn a fair return on their invested capital, that service to basic automobile insurance policyholders is adequate, efficient, just and reasonable and that ICBC optional insurance is not subsidized by other ICBC operations. The Commission also has a mandate to ensure that customer complaints of unfair treatment by utilities and marketers are heard and dealt with fairly. It is the aim of the Commission to deliver its core services in an efficient and effective manner without incurring unnecessary costs and burdensome regulatory requirements.

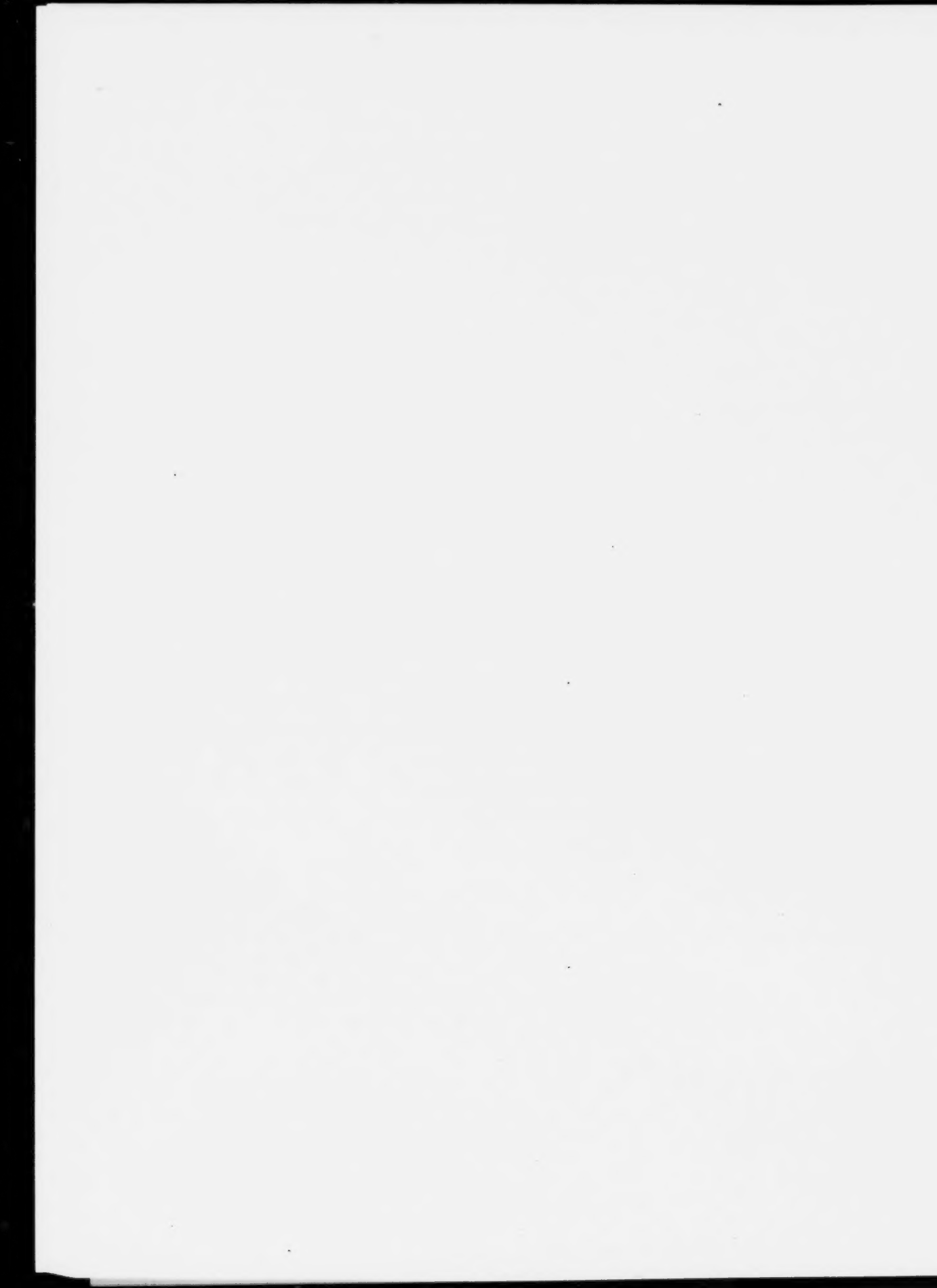
TABLE 1
Benchmark Comparison to Other Jurisdictions

	B.C. Utilities Commission 2008/09	Ontario Energy Board 2008/09	Quebec Régie de l'énergie 2008/09	Newfoundland Board of Commissioners of Public Utilities 2008/09
Members	2 full-time Commissioners, including Chair 8 part-time Commissioners	7 full-time Commissioners, including Chair and 1 Vice Chair 1 part-time Commissioner	9 full-time Commissioners, including Chair and 1 Vice Chair 3 part-time Commissioners	3 full-time Commissioners, including Chair and Vice Chair 0 part-time Commissioners
Staff	25	173	42 staff (excluding administrative services) and 7 board counsel	10
Budget	\$5.933 million, fully cost recovered	\$31.4 million, fully cost recovered	\$9.1 million (excluding portion for monitoring of petroleum activities), fully cost recovered	\$1.25 million (utilities), \$0.75 million (auto insurance), fully cost recovered
Population (millions)	4.4	13.0	7.75	0.507
Per Capita Cost of Regulation	\$1.35 / year (includes regulation of utilities and auto insurance)	\$2.42 / year	\$1.17 / year	\$2.47 / year (includes regulation of utilities and auto insurance)

COMPARISONS WITH OTHER JURISDICTIONS

Although the data in Table 1 is an interesting comparison, it does not take into account the varied nature, mandate and operations of each regulatory agency. It is included in this annual report for consistency with prior reports. The Commission will attempt to develop a more meaningful comparison for future reports.

Alberta Utilities Commission 2009/10	New Brunswick Board of Commissioners of Public Utilities 2008/09	Nova Scotia Utility and Review Board 2008/09	National Energy Board 2008/09
6 full-time Members, including Chair	2 full-time Commissioners (including Chair and Vice-Chair) 8 part-time Commissioners	9 full-time Commissioners (including Chair and Vice-Chair) 3 part-time Commissioners	7 full-time Members, including Chair and 1 Vice Chair 4 part-time Members
150 staff	13	47	60
\$35.2 million, fully cost recovered	\$2.27 million, fully cost recovered	\$6.87 million	\$44.4 million, 90% cost recovered, 10% funded by government
3 474	0 78	0 9395	N/A
\$10.1 / year	\$0.92 / year	\$1.76 / year	not comparable



BRITISH COLUMBIA
UTILITIES COMMISSION
ANNUAL REPORT
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Annual Report

COMMISSION RECOVERY AND EXPENDITURE SUMMARY

Authority for Cost Recovery

The Commission is authorized to recover its costs from regulated utilities and pipeline companies by fixing levies according to section 125 of the Utilities Commission Act and parameters set out in the Levy Regulation, British Columbia Reg. 283/88. The Commission recovers most of its costs by way of a "per gigajoule" levy assessed on each regulated utility, based on the amount of energy it sold in the previous calendar year. The Insurance Corporation of British Columbia and British Columbia Transmission Corporation are billed separately for annual regulatory fees, as they do not sell energy. The Commission also recovers public hearing costs directly from utilities for Commission expenditures attributable to their public hearings and other proceedings under the Utilities Commission Act. Direct recoveries have varied significantly from year to year, depending on the number and duration of regulatory hearings and inquiries. Revenues are also collected from intraprovincial petroleum pipeline companies, natural gas marketers, and from other utility regulatory agencies that contract with the Commission for advice and assistance.

Levy

The Commission's fiscal year runs from April 1 to March 31. The approved expenditure for the 2008/09 fiscal year was \$5,993,000.00. Lower than forecasted Commission expenditures created a surplus at the end of 2008/09 of \$593,137.86. This surplus is credited back to the utility companies by way of the 2009/10 levy. The remaining net annual budget of \$3,249,862.14 will be recovered from the levy, as identified in the formula below:

2009/10 Total Budgeted Expenditures minus estimated Direct and ICBC/BCTC Recoveries (\$)	=	\$3,249,862.14
Total Utility Energy Volumes sold in previous calendar year (GJ)		425,422,969 GJ
	=	\$0.0076391318/GJ

The levy for the 2007/08 fiscal year was set at \$0.0053790685/GJ. This levy is lower than the current 2009/10 levy due to the unusually large credit of \$1,669,915.09 from the 2006/07 fiscal year.

2008/09 Revenues and Expenses

Total Recoveries (see below)	\$ 5,828,017.48
Less Expenditures (see below)	\$ 5,234,879.62
Balance Deferred to 2009/10 Levy	\$ 593,137.86

The amounts recovered from utilities and other revenue sources for the 2008/09 fiscal year are as follows:

Commission Revenues Recovered Pursuant to Order G-84-2008	Amounts Recovered 2008/09 Fiscal Year
British Columbia Hydro and Power Authority	\$ 758,029.08
British Columbia Transmission Corporation	\$ 480,000.00
Cal-Gas Inc.	\$ 80.70
Central Heat Distribution Limited	\$ 5,200.23
Corix Multi-Utility Services Inc.	
Gas	\$ 234.00
Electric	\$ 112.95
Corporation of the City of Nelson	\$ 895.62
FortisBC Inc.	\$ 44,881.62
Hemlock Valley Electrical Services Limited	\$ 24.21
Insurance Corporation of British Columbia	\$ 480,000.00
Pacific Northern Gas Ltd.	\$ 30,725.25
Pacific Northern Gas	
Granisle Grid	\$ 56.49
Dawson Creek and Fort St. John	\$ 18,787.74
Tumbler Ridge	\$ 3,723.66
Port Alice Gas Inc.	\$ 64.56
Big White Gas Utility	\$ 153.30
Silversmith Power & Light Corporation	n/a
Stargas Utilities Ltd.	\$ 133.14
Sun Peaks Utilities Co., Ltd.	\$ 334.86
Terasen Gas Inc.	
Revelstoke	\$ 843.18
Lower Mainland Division	\$ 500,511.57
Inland Division	\$ 212,345.46
Columbia Division	\$ 23,499.81
Fort Nelson Division	\$ 3,328.29
Terasen Gas (Vancouver Island) Inc.	\$ 143,609.04
Terasen Gas (Whistler) Inc.	\$ 2,993.46
The Yukon Electrical Company Limited	\$ 12.12
Sub-Total	\$ 2,710,580.34
Natural Gas Marketer Licenses and Penalties	
Access Gas Services	\$ 2,000.00
Active Energy	\$ 1,000.00
Ag Energy Cooperative/Firefly Energy	\$ 1,000.00
Alta Gas	\$ 1,000.00

Direct Energy Marketing	\$ 7,000.00
Energy Savings [B.C.] Limited	\$ 1,000.00
MxEnergy (Canada) Ltd.	\$ 1,000.00
Nexen Marketing	\$ 1,000.00
Planet Energy (British Columbia) Corp.	\$ 1,000.00
Shell Energy (formerly Coral Energy Canada Inc.)	\$ 1,000.00
Smart Energy	\$ 1,000.00
Summitt Energy	\$ 8,000.00
Superior Energy	\$ 1,000.00
Universal Energy	\$ 8,000.00
Recoveries from Intra-Provincial Oil Pipelines and other Companies	\$ 35,000.00
AltaGas Ltd.	\$ 1,000.00
Enerplus	\$ 2,000.00
Plateau Pipeline Ltd.	\$ 5,000.00
Canadian Natural Resources Limited – West Stoddart Plant	\$ 1,000.00
Spectra Energy (formerly Duke Energy Field Services – Westcoast Gas Services Inc.)	
Peggo	\$ 8,000.00
Spectra Sunrise	\$ 2,000.00
Keyera Energy	\$ 1,000.00
Trans Mountain (Jet Fuel) Inc. (Kinder Morgan)	\$ 1,000.00
Miscellaneous Revenues	\$ 21,000.00
Recovery of Proceeding Costs from Utilities	\$ 1,390,263.75
Recovery of Printing	\$ 508.30
Recovery of Hearing Room Rental	\$ 750.00
Deferred Revenue from 2007/08 (credited to utilities' quarterly billings in 2008/09)	\$ 1,669,915.09
TOTAL REVENUES	\$ 5,828,017.48
Commission Expenditures Recovered Salaries and Benefits	Amounts Recovered 2008/09 Fiscal Year
Salaries & Benefits	\$ 2,563,676.35
Operating Costs	\$ 1,395,608.10
Professional Services	\$ 1,275,595.17
TOTAL EXPENDITURES	\$ 5,234,879.62



REVENUE 2008/09



EXPENDITURES 2008/09

The following Decision summaries cover the period April 1, 2008 through March 31, 2009. The full text of each of the Commission's Decisions may be found on its web site at: www.bcuc.com/DecisionIndex.aspx.

British Columbia Hydro and Power Authority

**Transmission Service Re-Pricing Application -
Orders Varying the Pricing of Rate Schedules 1823, 1825, 1880 and 1890
Reasons for Decision appended to Order G-97-08 dated June 19, 2008**

On February 22, 2008 BC Hydro applied for interim and final orders regarding the pricing of certain rate schedules applicable to its transmission service customers to reflect the cost of new supply as indicated by the results of its fiscal 2006 Call for Tender Process.

By Order G-21-08 dated February 25, 2008, the Commission established the Regulatory Timetable for the F09/F10 RRA which included a workshop and a procedural conference to hear submissions on the regulatory process for the review of the F09/F10 RRA, the Transmission Service Re-pricing Application, and the anticipated BC Hydro Residential Inclining Block Rate Application.

On June 19, 2008 following the review of the Transmission Service Re-pricing Application, the Commission issued its Order and Decision that the Tier 2 Price applied for by BC Hydro should be approved. The Tier 2 Price is the price for electricity consumption above a customer's base level and reflects the cost of new electricity supply.

**Exception to BC Hydro's Standards of Conduct
Reasons for Decision appended to Order G-104-08 dated June 23, 2008**

On May 16, 2008 BCTC and BC Hydro applied for an exception to its Standards of Conduct to permit designated BC Hydro employees to have access to non-public transmission-related information for the purposes of engaging in integrated system planning and resource acquisition. On May 29, 2008 the Commission issued a letter inviting comments from interested parties by June 10, 2008 and reply comments from BCTC and BC Hydro by June 16, 2008.

On June 23, 2008 following the review of the BCTC and BC Hydro Applications the Commission determined that approval of the Application was in the public interest and approved the exception to the Standards of Conduct as requested by BCTC in its May 16, 2008 Application.

Residential Inclining Block Rate
Decision dated September 24, 2008/Order G-124-08

On February 26, 2008 BC Hydro filed an application with the Commission for the review and approval of a new, two-step, inclining block rate structure for its residential customers. The two step rate reflects the low cost of Heritage generation in the initial consumption step and the cost of new supplies in the second step consumption.

Following a Procedural Conference held on April 28, 2008 the Commission ordered that an oral public hearing be held to review the RIB Application. The regulatory timetable for the proceeding included two rounds of Information Requests to BC Hydro, and a timetable for the submissions of Intervenor Evidence and Information Requests to Intervenors.

On August 28, 2008 the Commission determined that a RIB rate should be implemented provided that the conditions of the Order were met. The Commission ordered that Rate Schedules 1011 and 1121 would reflect a two-step RIB rate which incorporated the following design principles: for the period commencing on April 1, 2009 the Step-2 rate at BC Hydro's current estimate of the cost of new energy supply at the plant gate, grossed up for losses, of 8.27 cents per kWh and capped it at that amount, for the period commencing October 1, 2008 through March 31, 2009 the Step-2 rate as the above rate less one-half of the difference between that rate and 6.15 cents per kWh. The revised tariff sheets must also establish the Step-1 to Step-2 Threshold at 1,350 kWh per billing period (being about 90% of the median consumption of BC Hydro's customers of 762 kWh per month); and calculate the Step-1 rate and the Basic Charge for the period October 1, 2008 to March 31, 2009, and for April 1, 2009 for F2010 to achieve revenue neutrality for the residential rate class for those periods. A RIB rate structure incorporating the above design principles was approved, effective October 1, 2008.

The Commission also ordered that the proposed exempt residential Rate Schedule 1151 for farm accounts, residential service customers in Zone 1B, and those residential customers enrolled in the conservation Research Initiative Pilot project is approved; the proposed exempt Rate Schedule 1161 for Multiple Residential Service is approved. The Commission determined that the revised tariff sheets related to the Terms and Conditions of the General Service rates are approved as well as the energy rate and the Basic Charge of Rate Schedules 1151 and 1161. The Commission determined that on or before February 28, 2009 BC Hydro shall file the Rate Schedules 1101, 1121, 1151 and 1161 that are to be effective April 1, 2009. Should BC Hydro's current estimate of the cost of new energy supply at the plant gate be varied, BC Hydro is to apply to the Commission to amend and phase-in if necessary the Step-2 rate of Rate Schedules 1011 and 1121 accordingly.

Re-Price Net Metering Services

Reasons for Decision appended to Order G-4-09 dated January 30, 2009

On October 3, 2008 BC Hydro filed an application with the Commission for approval to increase the Rate Schedule 1289- Net Metering Service energy price.

The B.C. Sustainable Energy Association and the Sierra Club of British Columbia, and Horizon Technologies Inc. representing Energy Solutions for Vancouver Island Society, Okanagan Environmental Industry Alliance and Island Transformations Org., registered as intervenors, and participated in the review. Each submitted one round of information requests.

On January 30, 2009 following the review of the Application, the responses to information requests and the final submissions of BC Hydro and the participating intervenors, the Commission approved Rate Schedule 1289, as proposed in the Application, effective as of January 1, 2009. BC Hydro was directed to submit its next Net Metering – Monitoring and Evaluation Report to the Commission within 120 days after the date of submission of the Standing Offer Program report associated with the review of that program, currently scheduled for March 2010.

F2009 and F2010 Revenue Requirements Application

Decision dated March 13, 2009 Order G-16-09

On February 20, 2008 BC Hydro filed its fiscal year 2009 and 2010 Revenue Requirements Application for across-the-board rate increases of 6.56 percent and 8.21 percent, effective April 1, 2008 and April 1, 2009 respectively and approval of a reduction of the Deferral Account Rate Rider from 2.0 percent to 0.5 percent, effective April 1, 2008.

On February 5, 2008 the Commission issued Order G-21-08 establishing the Regulatory Timetable which included a Workshop on March 5, 2008 and a Procedural Conference on April 28, 2008.

On March 13, 2009, the Commission ordered BC Hydro to calculate revised interim F2009 and F2010 rates and to submit in a compliance filing two sets of financial schedules by March 27, 2009. As a result of the Commission's Decision, the rate increases for F2009 and F2010 are 2.34 % and 8.74 % and the Deferral Account Rate Rider was reduced from 2% to 0.5% for F2009 and set at 1.0% in F2010.

British Columbia Transmission Corporation

**Certificate of Public Convenience and Necessity for the Interior
to Lower Mainland (ILM) Transmission Project
Decision dated August 5, 2008/Order C-4-08**

On November 5, 2007 BCTC applied for a Certificate of Public Convenience and Necessity for the Interior to Lower Mainland Transmission Project which consists of a new 500 kV transmission line ("5L83") from the Nicola substation near Merritt to the Meridian substation in Coquitlam, BC. The new transmission line would parallel an existing 500 kV transmission line for most of its 246 km length.

By Order G-172-07 dated December 21, 2007 the Commission established an amended regulatory timetable which included community input sessions, a second procedural conference and the commencement of an oral public hearing.

On March 28, 2008 the Commission issued Order G-61-08 which determined that the ILM proceeding could be completed as a written process, and issued an amended regulatory timetable without an oral public hearing component. By letter dated May 21, 2008 the Commission denied an application for an adjournment of the proceeding pending the outcome of certain BC Court of Appeal decisions.

On August 5, 2008 the Commission issued its Decision granting a CPCN for the ILM project subject to the conditions and directions set out in the Order and Decision.

**Certificate of Public Convenience and Necessity for the
Central Vancouver Island Transmission Project
Decision dated December 10, 2008/Order C-6-08**

On May 8, 2008 BCTC applied for a CPCN to construct and operate the Central Vancouver Island ("CVI") Transmission Project which was the preferred solution to alleviate capacity constraints in the Central Vancouver Island area.

The Commission established a Procedural Conference in Nanaimo, BC to seek input on the regulatory process for the review of the Application. The Commission considered the input received and concluded that further information would be helpful prior to making a determination on whether to proceed by a written or oral hearing process.

The Commission established an amended regulatory timetable and sought Intervenor submissions. Following a review, a written hearing process was established. Submissions in the proceeding concluded with BCTC's Reply Submission on October 24, 2008.

The Commission issued its Order and Decision on December 10, 2008 granting a CPCN to BCTC for the CVI Project following the Harewood South route.

**Application to Incur Capital Expenditures to Construct the
5L51 and 5L52 Thermal Upgrade Project
Decision dated April 22, 2008/Order G-58-08**

On December 12, 2007 BCTC applied as directed in the F2008 Capital Plan Decision for approval of proposed capital expenditures to upgrade the thermal rating of transmission circuits 5L51 and 5L52 to increase firm transmission capacity on the US-BC intertie in a south-to-north direction by 870 MW of capacity. The Thermal Upgrade Project is the first project proposed under BCTC's Transmission Expansion Policy.

On December 24, 2007 the Commission issued Order G-163-07 which directed a written public hearing process. The Commission issued its Decision on April 22, 2008 approving the capital expenditures in support of the project.

**F2009 and F2010 Transmission Revenue Requirements
Negotiated Settlement appended to Order G-105-08 dated June 26, 2008**

On February 20, 2008 BCTC applied for approval of its F2009 and F2010 Transmission Revenue Requirements effective April 1, 2008 and April 1, 2009.

By Order G-22-08 the Commission approved interim refundable rates effective April 1, 2008. Following a procedural conference the Commission established a Negotiated Settlement Process which began on May 14, 2008. The settlement discussions concluded on May 15, 2008. The NSP Participants provided Letters of Support for the proposed Settlement Agreement.

By Order G-105-08 the Commission approved the June 13, 2008 Negotiated Settlement package.

**Transmission System Capital Plan F2009 to F2018
Reasons for Decision appended to Order G-107-08 dated June 27, 2008**

On December 21, 2007 BCTC filed its Transmission System Capital Plan F2009 to F2018. Although the F2009 TSCP described projects within the period F2009 to F2018, BCTC requested approval for capital expenditures in F2009 and F2010.

The Commission established a written public hearing process and regulatory timetable for the review of the Application. BCTC held a workshop on January 22, 2008 to provide an overview of the F2009 TSCP. The Written Argument phase of the proceeding was completed when BCTC filed its Reply Submission on April 1, 2008.

In Order G-107-08 dated June 26, 2008 the Commission approved, inter alia, the F2009 TSCP with reasons to follow. The Commission issued its Decision on July 11, 2008.

**BCTC Temporarily Suspends the Release of Firm Available
Transfer Capacity on the BC to Alberta Path
Reasons for Decision appended to Order G-110-08 dated July 8, 2008**

By letter dated June 3, 2008 BCTC applied to the Commission to suspend the release for sale, under BCTC's Open Access Transportation Tariff, of Additional Firm Available Transfer Capacity on the British Columbia to Alberta Path and to suspend the Facilities Study related to that capacity until certain issues could be addressed in BCTC's next OATT Application.

By letter L-24-08 dated June 4, 2008 the Commission sought comment on the Application from 23 identified interested companies and by June 12, 2008 five parties had responded: BC Hydro, Cargill, North Point, TransAlta and TransCanada. On June 17, 2008 the Commission responded to the comments filed.

On July 8, 2008 the Commission approved BCTC's Application to temporarily suspend the release of additional firm Available Transfer Capacity on the BC>AB path and BCTC's Application to temporarily suspend the Facilities Study concerning the BC>AB path. BCTC was directed to submit a report containing the stakeholder submissions made to BCTC, and any BCTC commentary in response to those submissions, concerning the resolution of Long-Term Firm Point-to-Point services to Alberta, and Customer Proposals on Conditional Firm Service by Friday, August 8, 2008. BCTC was directed to include in its next Rate Design review and/or FERC-890 compliance filing, whichever came first, a Tariff section which formally established, consistent with general OATT principles, and the FERC-890 guidelines, provisions for how BCTC would handle future situations, similar in nature to that addressed in the Application.

Central Coast Power Corporation

**Sale and Disposition of Utility Assets of Central Coast Power Corporation
to Boralex Ocean Falls Limited Partnership
Decision dated December 5, 2008/Order G-180-08**

On August 1, 2008 CCPC and Boralex LP applied for an Order approving the sale and disposition of Utility Assets of CCPC to Boralex LP as set out in an agreement dated June 3, 2008.

By Order G-121-08 the Commission established a written public hearing process and regulatory timetable to review the Application. On October 27, 2008 CCPC and Boralex LP submitted their Final Arguments.

On December 5, 2008 the Commission approved the sale and disposition of the Utility Assets of CCPC to Boralex LP subject to compliance within 60 calendar days.

CEG Energy Options Inc.

**Complaint concerning the Determination by Terasen Gas Inc. of the
Total Delivery Requirement Calculation that is administered as part of Rate Schedule 36
Reasons for Decision appended to Order G-118-08 dated August 14, 2008**

By letter dated February 7, 2008 counsel acting on behalf of CEG Energy Options Inc. filed a complaint with the Commission and requested that the Commission issue an Order to permit CEG to exercise its audit right under section 15.09 of Rate Schedule 36 and to grant access to the accounting books and records of Terasen Gas related to the calculation of the Total Delivery Requirements for the period beginning August 1, 2007 and ending October 31, 2007.

The Commission reviewed the correspondence between CEG and Terasen Gas and issued Reasons for Decision which declined to order a further audit of the Terasen Gas forecast for the period of August 1, 2007 to October 31, 2007, and determined that the Commission has no jurisdiction to adjudicate on the complaint for payment of damages.

Dockside Green Energy LLP

**Certificate of Public Convenience and Necessity to Construct and Operate a
District Energy System and Proposed Revenue Requirement, Rate Design and Levelized Rates
Reasons for Decision appended to Order C-1-08 dated April 18, 2008**

On December 21, 2007 Dockside Green applied for a CPCN to construct and operate a district energy system to provide energy service to the Dockside Green development located on the Inner Harbour in Victoria, BC. By Commission Order G-8-08 dated January 11, 2008 the Commission established a written public hearing process.

On April 18, 2008 the Commission issued Order C-1-08 with Reasons for Decision approving the CPCN Application for Dockside Green subject to conditions.

**Reconsideration of Order C-1-08 and Reasons for Decision
Reasons for Decision appended to Order C-3-08 dated June 30, 2008**

On May 30, 2008 Dockside Green requested that the Commission reconsider and vary Order C-1-08.

By letter dated June 4, 2008 the Commission accepted Dockside Green's position that the matter should proceed directly to a reconsideration process by way of a written hearing. One Intervenor who registered in the proceeding to consider the CPCN Application was given the opportunity to participate in the reconsideration, but no comments were provided.

On June 30, 2008 the Commission issued Order C-3-08 with Reasons for Decision varying Order C-1-08 to remove conditions that would have excluded certain extraordinary costs from future rate base and revenue requirements.

FortisBC Inc

**Certificate of Public Convenience and Necessity for the
Okanagan Transmission Reinforcement Project
Decision dated October 2, 2008/Order C-5-08**

On December 14, 2007 FortisBC applied for a CPCN for its proposed Okanagan Transmission Reinforcement Project to upgrade the capacity of the transmission system and related infrastructure in the Kelowna to Oliver, BC corridor.

The Commission established a regulatory timetable for a procedural conference which was held in Penticton, BC on February 27, 2008. An oral public hearing and community input session commenced on June 23, 2008.

On October 2, 2008 the Commission issued its Decision granting a CPCN to FortisBC subject to conditions and directions.

**Certificate of Public Convenience and Necessity for the
Copper Conductor Replacement Project
Reasons for Decision appended to Order G-165-08 dated November 7, 2008**

On June 27, 2008 FortisBC applied for a CPCN for the Copper Conductor Replacement Project which would replace its copper conductors and perform other related work over a ten year period.

By Order G-108-08 the Commission established a written public hearing process and regulatory timetable and workshop to be held in Kelowna, BC. The written public hearing process concluded with the filing of FortisBC's Reply Submission on September 29, 2008.

On November 7, 2008 the Commission issued Order G-165-08 with Reasons for Decision denying FortisBC's Application for a CPCN for its Copper Conductor Replacement Project.

**Certificate of Public Convenience and Necessity for the
Advanced Metering Infrastructure Project**

Reasons for Decision appended to Order G-168-08 dated November 12, 2008

On December 19, 2007 FortisBC applied to the Commission for a CPCN for the Advanced Metering Infrastructure Project. On January 3, 2008 the Commission issued Order G-1-08 which established a written public hearing process and regulatory timetable for the regulatory review of the Application. On March 28, 2008 Fortis BC filed an Amended Application. The written hearing process was completed on June 27, 2008.

On November 12, 2008 the Commission ordered that the Application and Amended Application for a CPCN for the AMI Project be denied.

2008 Annual Review, 2009 Revenue Requirements and Negotiated Settlement Process
Negotiated Settlement appended to Order G-193-08 dated December 2, 2008

Commission Order G-58-06 approved for FortisBC a Settlement Agreement for its 2006 Revenue Requirements and a Performance-Based Regulated Settlement for the years 2007, 2008 and potentially 2009. The PBR Settlement required FortisBC to hold an Annual Review, Workshop and Negotiated Settlement Process each November in advance of setting customer rates for the following year.

By Order G-141-08, dated September 25, 2008 the Commission established a regulatory timetable for the 2008 Annual Review and a 2009 Revenue Requirements Workshop on November 13, 2008 in Kelowna, BC, followed by a NSP on November 14, 2008.

The Commission approved the Negotiated Settlement Agreement attached as Appendix A to Order G-193-08 and the Terms of Settlement along with supporting schedules showing the effect of changes arising from the Negotiated Settlement.

Certificate of Public Convenience and Necessity for the Benvoulin Substation Project
Reasons for Decision appended to Order C-1-09 dated January 20, 2009

On September 24, 2008 FortisBC applied for a CPCN for the Benvoulin Substation Project which would be equipped with a single 138kV/13kV 32 MVA transformer with four feeder terminations. The Benvoulin substation would be located in south Kelowna and would support south/central Kelowna area growth and alleviate the need for multiple individual substation capacity upgrades.

The Commission established a written hearing process and cancelled the Community Input Session scheduled for December 2, 2008 as a result of only two parties registered to make presentations. Submissions in the proceeding concluded with FortisBC's Reply Submission on December 19, 2008.

On January 20, 2009 the Commission issued its Decision granting a CPCN to FortisBC Inc.

2009-2010 Capital Expenditure Plan
Decision dated February 27, 2009/Order G-11-09

On June 27, 2008 FortisBC filed its 2009-2010 Capital Expenditure Plan and 2009 System Development Plan Update. FortisBC requested approval of its proposed capital expenditures for a two-year period.

The Commission established a written hearing process and regulatory timetable and also ordered a workshop which was held on August 12, 2008. The hearing concluded with the Reply Argument of FortisBC on September 29, 2008.

On February 27, 2009 the Commission approved the 2009-2010 Capital Expenditure Plan as amended during the course of the proceeding, subject to specific determinations and directions.

Insurance Corporation of British Columbia

Regional Claim Centers Allocation
Reasons for Decision appended to Order G-73-08 dated April 22, 2008

On December 21, 2007 ICBC submitted a filing respecting the Regional Claim Centres Allocation, which included an updated work effort study to the Regional Claim Centres. The filing by ICBC proposed a regulatory timetable consisting of a workshop and negotiated settlement process.

The Negotiated Settlement Agreement dated February 20, 2008 was reached between ICBC and many of the participants. The 2008 NSA reached agreement on the allocation of compensation costs in the Regional Claim Centres, the allocation of facilities costs and the allocation of other operating costs. The 2008 NSA accepts that the Overall Regional Claim Centres costs based on 2007 data will be allocated between Basic and Optional Insurance on the following percentage basis: Basic at 63.0 percent and Optional at 37.0 percent.

The Commission approved the February 20, 2008 NSA (attached as Appendix B to Order G-73-08).

The Commission directed ICBC to prepare and file an application for approval of a Proposal Plan for the identification and selection of an Independent Third Party to review, report on and make recommendations with respect to ICBC's financial allocation methodology.

**Proposal Plan for an Independent Third Party Review of
ICBC's Financial Allocation Methodology
Reasons for Decision appended to Order G-31-09 dated March 26, 2009**

On October 31, 2008 ICBC filed its Proposal Plan for an Independent Third Party ("ITP") Review. The filing outlines the objectives and scope of the ITP Review. ICBC suggested a process for finalizing the Terms of Reference by means of a working session with ICBC, Commission staff, and interested intervenors.

By Order G-167-08 dated November 19, 2009 the Commission established a Regulatory Timetable that included a Workshop on December 9, 2009 and a timeline for Intervenor submissions and ICBC Reply submissions. On February 20, 2009 ICBC filed its Reply submission addressing the submissions of the Insurance Bureau of Canada, Canadian Direct Insurance, and Family Insurance.

The Commission issued its Decision approving the Revised Terms of Reference dated February 20, 2009. ICBC is to issue an Expression of Interest based on the approved Revised Terms of Reference, as soon as practicable. If any of the potential suppliers, and in particular the chosen ITP, have identified a need for modifications to the Revised Terms of Reference, ICBC will advise the Commission of these potential modifications.

Pacific Northern Gas Ltd.

**Term Sheet Between Pacific Northern Gas Ltd. and LNG Partners LLC
Reasons for Decision appended to Order G-174-08 dated November 28, 2008**

On September 25, 2008 PNG filed a Term Sheet describing a proposed natural gas transportation agreement between PNG and LNG Partners LLC to transport natural gas over the PNG system to a floating LNG terminal in the vicinity of Kitimat, BC.

The Commission established an initial regulatory review process which included information requests and invited written submissions on the subsequent regulatory review process. On November 6, 2008, Commission Order G-163-08 established that the Term Sheet would be reviewed through a written hearing process.

On November 28, 2008 the Commission issued Order G-174-08 and attached Decision approving the Term Sheet between PNG and LNG Partners subject to conditions.

Plateau Pipe Line Ltd.

2007 and 2008 Western Systems Tolls

Final Settlement approved by Order P-8-08 dated October 28, 2009

On October 5, 2007 Plateau informed the Commission that the Company, Husky Oil Operations Limited ("Husky") and Chevron Canada Limited ("Chevron") (collectively the "Parties") were unable to reach a negotiated settlement regarding the Western System Tolls to be effective July 1, 2007. In accordance with Commission Order P-6-07, Plateau filed the 2007 and 2008 Western System Toll Application on November 30, 2007.

Commission Order P-4-07 established the proposed Western System Tolls as interim and refundable, effective July 1, 2007.

Commission Order P-8-07 dated December 21, 2007 established a hearing process for the review of the Application and a regulatory timetable for the proceeding. Based on submissions received in response to Letter L-99-07, the Commission directed that the proceeding exclude material from the Negotiations as exhibits.

On March 13, 2008 Plateau informed the Commission that it had reached an agreement in principle with Husky regarding the tolls on Western System for deliveries at its Prince George refinery. On March 28, 2008 Plateau submitted an executed copy of the settlement agreement between Plateau and Husky that applies to tolls for deliveries to Husky's Prince George refinery from July 1, 2007 to February 29, 2012.

On September 4, 2008 Plateau advised the Commission that a new service was being offered on the Western System, on a long-term basis, for deliveries from Taylor to Kamloops (the "Full Path Long-Term Service") and also filed the terms of its settlement with Chevron (the "Toll Settlement F.P.").

The Commission reviewed the Application and submissions and approved the new tolls subject to review upon complaint.

Smart Energy (BC) Ltd

Reconsideration of Commission Order G-45-08

Reasons for Decision appended to Order G-11-08 dated July 25, 2008

By letter dated January 28, 2008 the Commission initiated a written hearing into matters that had come to the Commission's attention during the adjudication of Dispute Number 8895. Following a written hearing, the Commission found that Smart Energy had violated Articles 9, 15, and 31 of the Code and was not in compliance with Commission Order G-73-07. The Commission ordered that Smart Energy pay to the Commission a financial penalty of \$3,000.00 for each of the three breaches of the Code.

By letter dated April 24, 2008 Smart Energy applied for a reconsideration of Commission Order G-45-08. The Commission reviewed the Reconsideration Application by Smart Energy and the criteria regarding the reasonable basis for allowing reconsideration and concluded that the request for reconsideration should proceed. By Order G-80-08, the Commission allowed the Smart Energy Reconsideration Application and determined that no new evidence would be allowed. Smart Energy filed its arguments on May 30, 2008.

On July 28, 2008 by Order G-11-08 and attached Reasons for Decision, the Commission found that the requirements of Articles 9 and 15 of the Code apply in this situation and the conduct of the TPV Agent who acted as a Salesperson did not comply with Articles 9 and 15 of the Code. The Agent did not refer to the 10-day right of cancellation as required by Commission Order G-73-07, therefore Smart Energy was in violation of Article 31 of the Code of Conduct. Smart Energy was directed to make a submission to the Commission on its view of an appropriate action by the Commission under section 71 (15) of the Act. The Commission dealt with the disposition of Order G-45-07 in a subsequent Order.

decisions, reasons for decisions & negotiated settlements

Stargas Utilities Ltd

Acceptance of a Transaction Confirmation under its Natural Gas Supply and Management Services Agreement with Direct Energy Marketing Limited
Reasons for Decision appended to Order G-1-09 dated January 15, 2009

By letter dated September 8, 2008 Stargas submitted a revised Application for acceptance of a Transaction Confirmation under its Natural Gas Supply and Management Services Agreement with Direct Energy Marketing Limited ("DEML"). The Agreement was set out in Commission Order E-16-07 dated August 23, 2007. The revised Application if approved would increase commodity charges.

By letter dated September 15, 2008 the Commission requested further information from Stargas. Stargas replied on September 23, 2008 and DEML responded on October 3, 2008, both providing further information regarding the Application. On October 23, 2008, Stargas withdrew its application for a change to its commodity rates effective November 1, 2008, on the basis that the additional gas costs starting November 1, 2008 would accumulate in its Gas Cost Variance Account in subsequent years.

Upon review of all correspondence, the Commission established a written hearing to review the Transaction Confirmation. On December 8, 2008 Stargas filed its Final Submission. There were no submissions received from intervenors.

After considering the evidence and submissions, the Commission issued Order G-1-09 dated January 15, 2009 with Reasons for Decision rejecting the Transaction Confirmation. The Order directs Stargas, in future filings of a Fixed Price or a DEML Pool Price agreement for gas purchases, to explicitly state whether the price only represents market prices, to identify any fees or charges that are included in the price and to fully justify all components of the price.

Tongue Gas Inc

Customer Choice Program Statistics for the Commission Website and Modifications to the Rules for Gas Marketers engaged in Commodity Unbundling Service in the Province of BC
Reasons for Decision appended to Order G-114-08 dated August 1, 2008

By letter dated March 20, 2008 the Commission advised that a change to the Rules for Gas Marketers was required to support the standard of excellence of the Customer Choice Program specifically the Commission noted that it intended to consider the level of disputes experienced by the Gas Marketers when reviewing an Application for a License to Market Natural Gas, and proposed revisions to section 2 of the Rules. The Commission suggested that a level of complaints, disputes and courtesy drops that is more than 150% of the average for the Program would qualify as being significantly higher.

decisions, reasons for decisions & negotiated settlements

By letter dated May 9, 2009 the Commission provided proposed statistics for the Commission website to the Gas Marketers, including the level of disputes and cancellations from Program inception through April 2008 and requested comments from the Gas Marketers.

The Commission reviewed the comments provided by the Gas Marketers and Terasen Gas and determined the form and process by which the selected statistics will be posted on the Commission website.

The Commission also determined that the Rules for Gas Marketers will be amended to reflect Commission procedure in its review of an Application for License Renewal.

Gas Supply Mitigation Incentive Program for the 2008/09 Gas Contract Year Order G-156-08 dated October 23, 2008

On September 19, 2008 Terasen Gas applied to the Commission for approval of the 2008/09 Gas Supply Mitigation Incentive Program. The proposed 2008/09 GSMIP plan remained fundamentally unchanged from the 2007/08 plan. The objective of the GSMIP plan is to align the interests of the customers and shareholders to effectively manage mitigation activities and offset customers' midstream costs.

By Order G-136-08 dated September 22, 2008 the Commission established a written hearing regulatory process and a regulatory timetable.

The Commission reviewed the Terasen Gas and Intervenor submissions and approved the 2008/09 Gas Supply Mitigation Incentive Program for the gas contract year from November 1, 2008 through October 31, 2009.

2009 Revenue Requirements and Delivery Rates Application approved by Order G-191-08 dated December 11, 2008

By Order G-33-07 the Commission approved the two-year extension of the TGI Revenue Requirements Negotiated Settlement for 2008 and 2009. The terms of the 2008-2009 Extension Period includes continued use of the Annual Review process.

By Order G-142-08 dated September 25, 2008 the Commission established a regulatory timetable for the 2008 Annual Review. On October 8, 2009 Terasen Gas filed the Annual Review Advance Materials for the purposes of setting rates for 2009 in accordance with the regulatory timetable. The Application also requested deferral account treatment for incremental costs associated with the implementation of International Financial Reporting Standards ("IFRS") to be amortized beginning in 2011, a deferral account treatment of incremental costs for Olympic and Paralympic Games Security to be amortized beginning

2011, a change to the amortization of the Large Corporations Tax deferral account, and changes to the non rate base Residential and Commercial Commodity Unbundling deferral accounts.

On November 3, 2008 Terasen Gas filed a revision to the October 8, 2008 Advance Materials that included updated financial schedules to reflect changing economic circumstances related to industrial forecast and customer addition assumptions ("Amended Application").

The Commission reviewed the Amended Application and the comments received and approved new utility costs, deferral accounts, rates and charges for TGI in 2009.

**Customer Choice Program Enhancements and
Additional Customer Education Action Funding Application
Reasons for Decision appended to Order G-181-08 dated December 12, 2008**

On July 18, 2008 Terasen Gas filed the Customer Choice Post Implementation Review Report and Application for Program Enhancements and Additional Customer Education Action Funding. By Order G-113-08 dated July 29, 2008, the Commission established a written hearing process to deal with the Report and Application.

The Report and Application included a description of enhancements identified as Release 1 and Release 2. Release 1, which was requested by Commission staff, includes enhancements to the Gateway to Energy Marketers system disputes functionality by improving the display of dispute information. Release 2 relates mainly to testing to support the Energy CIS version upgrade by Customer Works LP.

By Commission Order G-140-08 the Commission approved the funding requirements for the implementation of Release 1 and Release 2. By letter dated August 15, 2008, the Marketer Group provided comments on the draft Article 12 revision which was added as an issue to be determined in the regulatory process.

The Commission reviewed the information and representations made by TGI and registered Intervenor and approved the TGI Report and Application except for the issues listed in Order G-181-08.

Amendments to Article 12 of the Code of Conduct would be the subject of a further Decision of the Commission.

**Certificate of Public Convenience and Necessity for the
Fraser River Crossing Upgrade Project
Decision dated March 12, 2009/Order C-2-09**

On November 6, 2008 Terasen Gas applied for a CPCN for two horizontal directional drilled ("HDD") natural gas transmission pipeline crossings of the South Arm of the Fraser River between Delta and Richmond near Tilbury Island. Terasen Gas considered several alternatives in the Application, one of which was the replacement of the existing 508 mm (20 inch) crossing with a new HDD 762 mm (30 inch) crossing and pipeline extending from Tilbury Gate Station to Nelson Gate Station. Terasen Gas proposed to start installation of the new crossings in June 2009 and to have the new crossings in-service by October 2009 unless a construction schedule completing in 2010 was determined to be more cost effective. Terasen Gas estimated the cost of the project to be \$27.3 million including Allowance for Funds Used During Construction.

On November 20, 2008 the Commission issued Order G-173-09 establishing a written hearing process, and an amended regulatory timetable.

The Commission considered the Application and the evidence and submissions in the proceeding and determined that the Project is in the public interest. A CPCN was approved for Terasen Gas for the construction and operation of the Fraser River Crossing Upgrade Project as applied for in the Application.

**2009 Revenue Requirements for the Fort Nelson Service Area
Application approved by Order G-172-08 dated November 21, 2008**

On September 4, 2008 Terasen Gas Fort Nelson Service Area ("Terasen Fort Nelson") filed for Commission approval of its 2009 Revenue Requirements Application. The Application sought to increase the RSAM rate rider and a revenue requirement increase. Commission Order G-153-08 established a written hearing process and a regulatory timetable.

On October 30, 2008 Terasen Fort Nelson filed an Amended Application to reflect changes to the revenue deficiency, delivery rates, and revenue stabilization adjustment mechanism to be effective January 1, 2009.

The Commission approved Terasen Fort Nelson's Amended Application, effective January 1, 2009, by Order G-172-08.

Terasen Gas Inc. Terasen Gas (Vancouver Island) Inc. Terasen Gas (Whistler) Inc.

2008 Resource Plan

Reasons for Decision appended to Order G-194-08 dated December 15, 2008

On June 27, 2008 TGV and Terasen Whistler jointly filed a consolidated 2008 Resource Plan for acceptance by the Commission.

By Order G-120-08 the Commission established a written proceeding to review the Resource Plan. On October 7, 2008 the Terasen Utilities filed final submissions regarding the Resource Plan and on October 14 and October 16, 2008 BC Hydro and BCOAPO respectively filed their final submissions.

On December 15, 2008 the Commission ordered that the joint 2008 Resource Plan be accepted for filing except for section 4 and those other parts of the Resource Plan that related to the issue of Energy Efficiency and Conservation, including fuel switching and Greenhouse Gas emissions. A determination regarding the remaining issues was to be made at the following Energy Efficiency and Conservation proceeding.

Terasen Gas (Vancouver Island) Inc.

2009 Rates, 2009 Cost of Service and

Revenue Deficiency Deferral Account Balance as at December 31, 2007

Application approved by Order G-192-08 dated December 12, 2008

By Order G-143-08 dated September 25, 2008 the Commission set out the regulatory timetable for the TGV filing of its 2008 Settlement Update Material, information requests, responses, the 2008 Settlement Update Meeting, undertaking responses from TGV, Participant comments and TGV Reply comments.

On October 8, 2008 TGV filed its 2008 Settlement Update filing and an application in accordance with the two-year extension of the 2006-2007 Revenue Requirement Negotiated Settlement Agreement terms for 2008 and 2009 as approved by Commission Order G-34-07. On October 17, 2008 TGV filed a Revised Settlement Update Application that corrected errors in the Application and on November 3, 2008 TGV filed an Errata to Table 8.2.1 of the Revised Application. The TGV Settlement Update Meeting was held on November 7, 2008. BC Hydro and BCOAPO submitted comments and TGV provided its Reply comments on December 3, 2008 and a Supplemental Filing to the Updated Application on December 9, 2008.

On December 12, 2008 following the review of the Revised Application, the Updated Application, the Supplemental Filing and the comments received, the Commission approved permanent rates effective January 1, 2009. The Commission also approved the proposals to deal with the event that the pipeline project to Whistler is energized in 2009 and conversion of the Terasen Whistler system is complete such that natural gas is flowing prior to year end. The recording of the incremental costs

in the requested IFRS deferral account and the Olympic and Paralympic Games deferral account were also approved. The Commission ordered TGV to track the monthly activity in the RDDA and when the account has reached a projected year-end actual zero balance, TGV is to file, within 30 days, a proposal to the Commission for the disposition of the surplus collected along with recommended rate changes. The Commission approved the allowable capital expenditures forecast for 2009, other than those expenditures that require a CPCN.

Trans Mountain Hot Pools Inc.

Reconsideration of an Application for Approval of Tolls and Accelerated Depreciation/Order P-3-08

Reasons for Decision appended to Order P-7-08 dated August 19, 2008

Commission Order P-3-08, dated February 13, 2008 with Reasons for Decision did not approve the Trans Mountain application for approval of tolls and accelerated depreciation. The Commission approved the establishment of a non-rate based deferral account for rate hearing cost with the submission of costs subjected to the Commission's review and approval. The Order required Trans Mountain to recalculate the 2008 rates and re-file the rate schedules in accordance with the Reasons for Decision and Order P-3-08. By letter dated May 27, 2008 Trans Mountain requested that the Commission reconsider its Decision to exclude the amount of \$67,090.16 of regulatory rate case costs from the Rate Case Deferral Account. Trans Mountain also requested that the Commission dispense with the two step reconsideration process and proceed directly to a consideration of the merits of the Reconsideration Application.

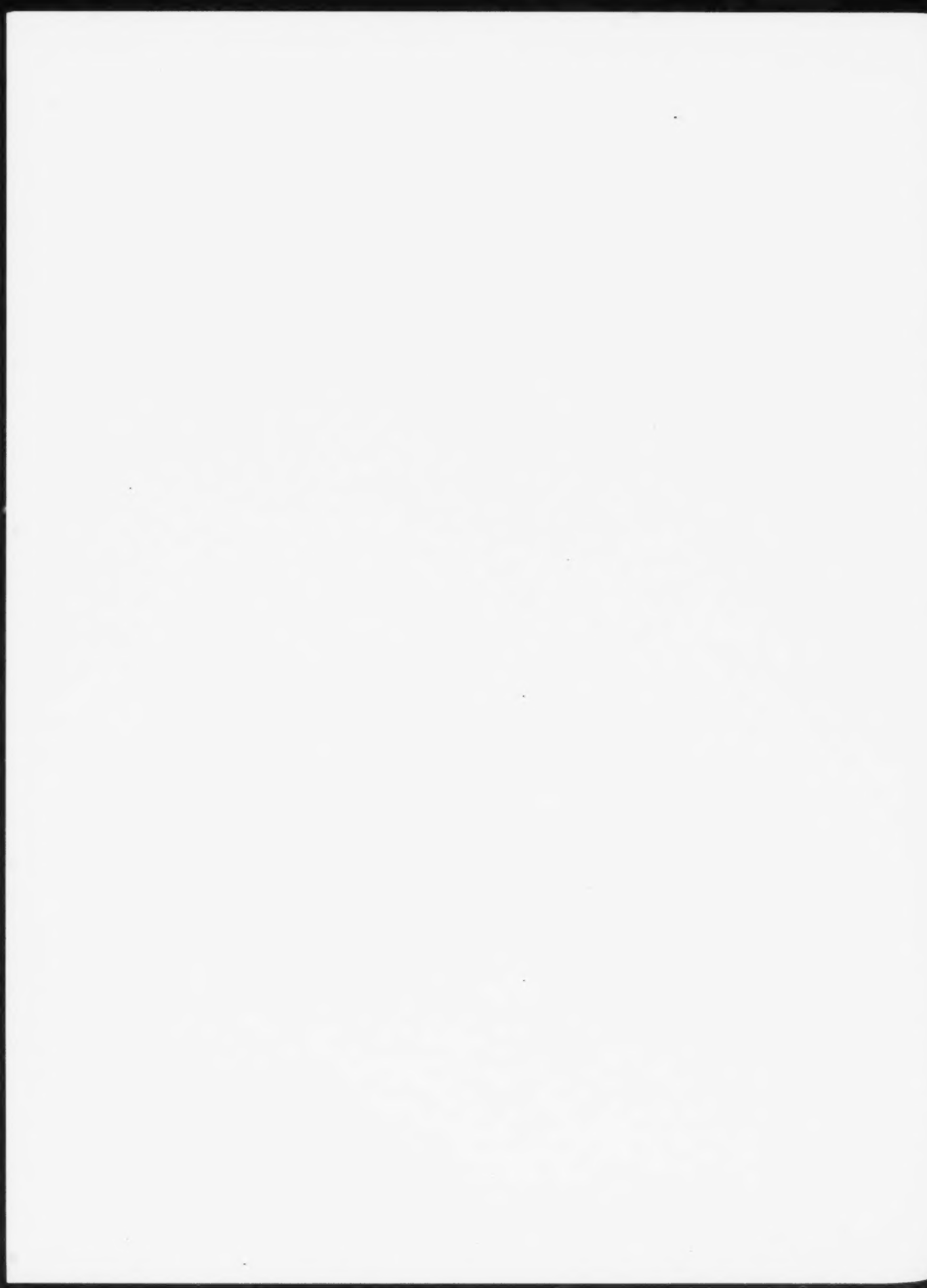
By Letter L-29-08 the Commission acceded to Trans Mountain's request to directly proceed to a consideration of the Reconsideration Application. Intervenor's were given an opportunity to comment on the Reconsideration Application. Letters were filed on July 7, 2008 by Chevron Canada Ltd. and the Vancouver Airport Fuel Facilities Corporation opposing the Reconsideration Application to which Trans Mountain filed a reply on July 8, 2008.

The Commission reviewed the Reconsideration Application and submissions and was not persuaded that the original cost award was in error. Therefore, the Trans Mountain Reconsideration Application was denied.

The Commission accepted Terasen's proposal to capitalize the approved EEC expenditure to a regulatory deferral account and to amortize the deferral account balances, but rejected the proposal to amortize EEC expenditures over a 20 year period, instead directing it to base its amortization of approved EEC expenditures over periods not to exceed 10 years.



appendices



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Following is a list of the June 2009 Commission staff, their positions and departments.

Office of the Chair and Financial Administration

Len Kelsey Chair and Chief Executive Officer
Viki Vourlis Manager, Financial Administration and
 Assistant to the Chair & CEO
Denise Goddard Financial Assistant/Administrative Clerk
Rose Tomen Administrative Clerk
Kim Brooks Financial Assistant/Administrative Clerk

Information Services Group

Erica M. Hamilton Commission Secretary
Constance M. Smith Assistant Commission Secretary
Vivian Lee Customer Choice Administrator
Alison H. Cormack Information Services Officer
Yvonne M. Lapierre Administrative Clerk
Daniela Guest Administrative Clerk
Kathy Grasty Administrative Clerk/Receptionist
Mark Hudson Web Administrator

Strategic Services

Doug Chong Director
Eileen Cheng Senior Economist
Tony Roberts Senior Economist

Rates and Finance

Philip W. Nakoneshny Director
Susanne Sue Senior Financial Analyst
Claudia McMahon Financial Analyst
Kristine Bienert Financial Analyst
Yolanda Domingo Financial Analyst

Engineering and Energy Markets

J. Brian Williston Director
Robert N. Brownell Senior Commodities Analyst
Don Flintoff Senior Electrical Engineer
Mark Thomas Senior Gas Engineer

Transmission Projects

Jim Fraser Director, Transmission Inquiry

Regulated Utilities

CROWN-OWNED ELECTRIC UTILITIES	SERVICE AREA
British Columbia Hydro and Power Authority 333 Dunsmuir Street Vancouver, BC V6B 5R3 Email Contact: bchydroregulatory.group@BCHydro.com	Lower Mainland, Vancouver Island, Central and Northern BC and East Kootenay Regions
British Columbia Transmission Corporation Suite 1100, Four Bentall Centre 1055 Dunsmuir Street PO Box 49260 Vancouver, BC V7X 1V5 Email Contact: bctc.regulatory@bctc.com	BC Transmission and Integrated Grid System
INVESTOR-OWNED ELECTRIC UTILITIES	SERVICE AREA
Corix Multi Utility Services Inc. [formerly Sun Rivers Services Corp.] 1128 Burdette Street Richmond, BC V6V 2Z3 Email: glenn.lauter@corix.com	Lot 152, CLSR Plan 78619 Kamloops IR No. 1
Hemlock Valley Electrical Services Limited 20955 Hemlock Valley Road Agassiz, BC Email Contact: dlechasseur@hemlockvalleyresort.com	Hemlock Valley
Silversmith Power & Light Corporation Box 369 New Denver, BC V0G 1S0 Email Contact: silversmith@netidea.com	Sandon, BC
FortisBC Inc. P.O. Box 130 Trail, BC V1R 4L4 Email Contact: regulatory@fortisBC.com	West Kootenay and Okanagan Regions of BC Princeton, Osprey Lake and Missezula Lake Areas
The Yukon Electrical Company Limited 100 - 1100 1st Avenue Whitehorse, Yukon Territory Y1A 3T4 Facsimile Contact: (867) 668-3965	Lower Post

**INVESTOR-OWNED NATURAL GAS OR
PROPANE UTILITIES**

SERVICE AREA

Big White Gas Utility

P.O. Box 2039, Station "R"

Kelowna, BC V1X 4K5

Email Contact: mvalcourt@bigwhite.com

Big White Ski Resort

Cal-Gas Inc.

4255 64th Avenue S.E.

Calgary, Alberta T2C 2C8

Facsimile Contact: (403) 279-9098

Email Contact: jsereda@calgasinc.com

Canyon Ridge and Sonoma Pines

Corix Multi Utility Services Inc.

1128 Burdette Street

Richmond, BC V6V 2Z3

Email: glenn.lauter@corix.com

Lot 152, CLSR Plan 78619

Kamloops IR No. 1, Panorama
and Sonoma Pines

Pacific Northern Gas Ltd.

950-1185 West Georgia Street

Vancouver, BC V6E 4E6

Email Contact: info@png.ca

Summit Lake to Prince Rupert and
Kitimat

Pacific Northern Gas (N.E.) Ltd.

950-1185 West Georgia Street

Vancouver, BC V6E 4E6

Email Contact: info@png.ca

Dawson Creek, Rolla, Pouce Coupe,
Tumbler Ridge, Fort St. John

Pacific Northern Gas Ltd.

950-1185 West Georgia Street

Vancouver, BC V6E 4E6

Email Contact: info@png.ca

- Granisle (Propane Grid System)

Port Alice Gas Inc.

#101-4381 Dawson Street

Burnaby, BC V5C 4B4

Email: david@portalicegas.com

Port Alice (Propane Grid System)

Stargas Utilities Ltd.

P.O. Box 3002

Silver Star Mountain, BC V1B 3M1

Email Contact: stargas@shaw.ca

Silver Star resort community

**INVESTOR-OWNED NATURAL GAS
OR PROPANE UTILITIES (CONTINUED)**

SERVICE AREA

Sun Peaks Utilities Co., Ltd.

1280 Alpine Road

Sun Peaks, BC V0E 1Z1

Email Contact: utilities@sunpeaksresort.com

Resort area north of Kamloops

Terasen Gas Inc.

(formerly BC Gas Utility Ltd.)

1111 West Georgia Street

Vancouver, BC V6E 4M4

Email: regulatory.affairs@terasengas.com

Lower Mainland, Fort Nelson, Central
and Northern Interior, the Kootenays
and the Okanagan

Terasen Gas (Vancouver Island) Inc.

(formerly Centra Gas BC Inc.)

1675 Douglas Street, P.O. Box 3777

Victoria, BC V8W 3V3

Email: regulatory.affairs@terasengas.com

Sunshine Coast, Powell River, and
Vancouver Island north to Campbell
River, west to Port Alberni, and south
to Victoria

Terasen Gas (Whistler) Inc.

(formerly Centra Gas Whistler Inc.)

1675 Douglas Street, P.O. Box 3777

Victoria, BC V8W 3V3

Email: regulatory.affairs@terasengas.com

Whistler (Propane Grid System)

CENTRAL HEAT DISTRIBUTION LIMITED

SERVICE AREA

720 Beatty Street

Vancouver, BC V6B 2M1

Email Contact: CHDL@telus.net

Downtown Vancouver

**REGULATED COMPANY
COMPULSORY AUTOMOBILE INSURANCE**

SERVICE AREA

Insurance Corporation of British Columbia

Suite 517-151 West Esplanade

North Vancouver, B.C. V7M 3H

Email Contact: regaffairs@icbc.com

Province of BC

MUNICIPALLY-OWNED ELECTRIC UTILITIES

SERVICE AREA

City of Grand Forks

Box 220

Grand Forks, BC V0H 1H0

Grand Forks

City of Kelowna

1435 Water Street

Kelowna, BC V1Y 1J4

Kelowna

City of Nelson

(also known as Nelson Hydro)

502 Vernon Street

Nelson, BC V1L 4E8

Nelson (urban and rural areas)

City of New Westminster

511 Royal Avenue

New Westminster, BC V3L 1H9

New Westminster

City of Penticton

616 Okanagan Avenue East

Penticton, BC V2A 3K6

Penticton

District of Summerland

Box 159

Summerland, BC V0H 1Z0

Summerland

Municipally-owned electric utilities are not regulated under the Utilities Commission Act. Only the City of Nelson's electric utility with service outside of the Municipal boundaries is subject to regulation by the British Columbia Utilities Commission.

NATURAL GAS MARKETERS LICENSED IN 2008/09

Licence No.	Gas Marketer
A-10-08	Access Gas Services Inc.
A-12-08	Active Renewable Energy Marketing Ltd.
A-15-08	AltaGas Energy Limited (formerly Premstar Energy Canada Limited Partnership)
A-16-08	Direct Energy Marketing Limited / Direct Energy Business Services
A-17-08	Energy Savings (B.C.) Limited Partnership / ES (B.C.) Limited Partnership
A-13-08	FireFly Energy
A-18-08	MxEnergy (Canada) Ltd.
A-14-08	Nexen Energy Solutions
A-19-08	Shell Energy North America (Canada) Inc. (formerly Coral Energy Canada Inc.)
A-21-08	Smart Energy (BC) Ltd.
A-23-08	Summit Energy BC L.P.
A-22-08	Superior Energy Management
A-11-08	Universal Energy Corporation

This is a list of Gas Marketers licensed in 2008/09. Information regarding the Customer Choice program and contact information for the Gas Marketers may be found on the Commission's web site at www.bcuc.com/NaturalGasMarketers.aspx

DOMESTIC ELECTRICITY SALES – 2008

	Customers #	Revenue (\$'000)	Sales (GW.h)
Crown-Owned Electric Utility			
BC Hydro and Power Authority	1,793,421	\$ 2858005	51175.00
Municipally-Owned Electric Utilities			
City of Grand Forks	2,105	\$ 3,029	37.36
City of Kelowna	23,026	\$ 24,385	314.00
City of Nelson (urban and rural)	9,529	\$ 11,157	61.77
City of New Westminster	30,200	\$ 27,250	440.54
City of Penticton	16,620	\$ 26,400	350.00
District of Summerland	5,335	\$ 8,007	93.00
Total Municipally-Owned	87,171	\$ 100,228	1,296.67
Investor-Owned Electric Utilities			
FortisBC Inc.	109,719	\$ 175,285	2,195.00
Hemlock Electrical Services Limited	231	\$ 275,834	4.50
Silversmith Light & Power Corporation	11	\$ 34	0.08
Corix Multi-Utility Services Inc.			
CMUS – Sun Rivers & Sonoma Pines	630	\$ 650	10.00
The Yukon Electrical Company Limited			
Lower Post BC	83	\$ 129	0.84
Total Investor-Owned	110,674	\$ 451,932	2,210.42
Total All Electrical Utilities	1,991,266	\$ 3,410,165	54,682.09

ELECTRICITY NOTES

1. 1 gigawatt hour (GW.h) = 1 million kilowatt hours.
2. Figures reported are for the 2008 calendar year. Customers reported are as at December 31, 2008.
3. Revenues and sales for BC Hydro and FortisBC Inc. are net of sales to other reporting electrical utilities identified in this table.

DOMESTIC GAS SALES - 2008

	Customers #	Revenue (\$000)	Sales (GJ)(000)
Terasen Gas Inc.			
Lower Mainland Division	580,505	\$ 1,225,158	126,622
Inland Division	227,463	\$ 361,358	49,263
Columbia Division	22,314	\$ 38,049	6,221
Fort Nelson Division	2,369	\$ 5,801	769
Revelstoke	1,572	\$ 4,377	199
Terasen Gas (Vancouver Island) Inc.			
Vancouver Island, Powell River and Sunshine Coast areas	94,773	\$ 202,159	35,013
Terasen Gas (Whistler) Inc.	2,457	\$ 10,348	731
Pacific Northern Gas (N.E.) Ltd.			
Fort St. John Inc./Dawson Creek Division	16,189	\$ 38,033	4,804
Tumbler Ridge Division	1,153	\$ 2,008	1,094
Pacific Northern Gas Ltd. (includes Granisle Grid)	21,141	\$ 92,798	6,644
Corix Multi-Utility Services Inc.			
Sun Rivers, Sonoma Pines	557	\$ 315	21
CMUS - Panorama	198	\$ 1,108	43
CalGas Inc. - Kickinghorse	110	\$ 375	20
CalGas Inc. - Canyon Ridge	14	\$ 16	1
Big White Gas Utility Ltd.	213	\$ 886	39
Port Alice Gas Inc.	259	\$ 469	16
Sun Peaks Utilities Co. Ltd.	866	\$ 2,218	89
Stargas Utilities Ltd.	234	\$ 593	34
Total All Gas Utilities	1,172,387	\$ 1,986,069	231,623

GAS NOTES

1. 1 gigajoule (GJ) is approximately equivalent to 0.910 mcf (mcf = one thousand cubic feet) or 0.0258 10,000 m³ of natural gas or 0.376 mcf of propane vapour in L.P. gas grid systems.
2. Figures reported are for the 2008 calendar year. Customers reported are as at December 31, 2008.
3. Sales of GJ shown include sales to end use customers plus gas owned by customers and transported to their industrial operations by utilities.
4. Revenues reported for natural gas utilities include only transportation margins for large industrial customers who have purchased gas supplies directly from producers or aggregators.

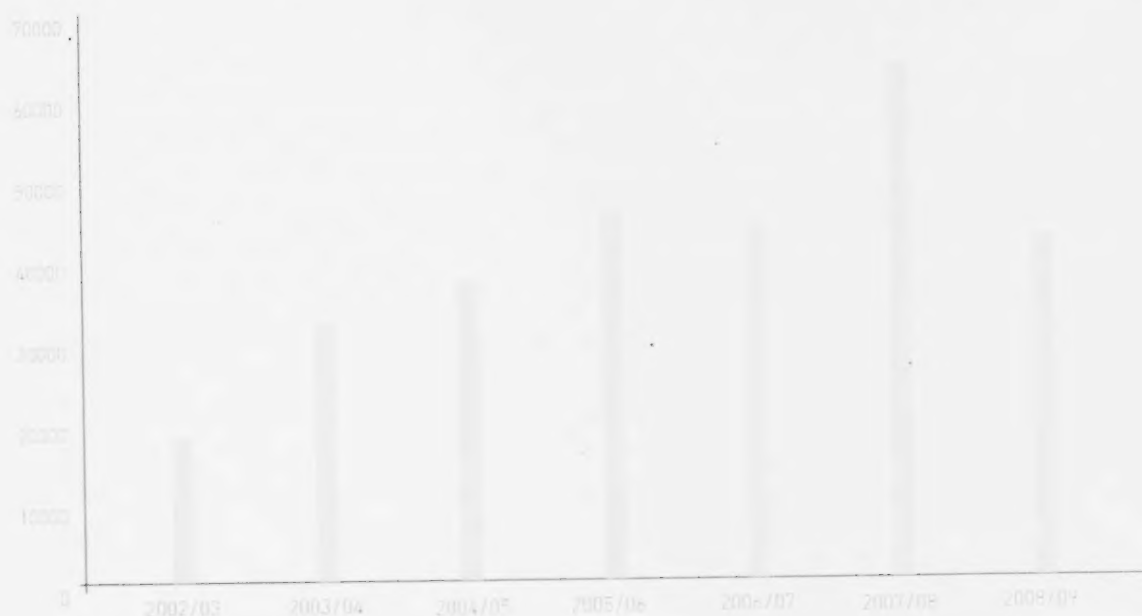


Natural Gas and Gas Liquids Utilities



PERFORMANCE INDICATORS

Correspondence received by the Commission consists of customer complaints, utility applications, hearing documents, requests for information/assistance (not related to a proceeding), and utility reports. Not included in the following graph are customer complaints received by telephone and email or telephone calls received by the Information Services Group requesting Commission documents. These requests are processed immediately upon receipt and are not entered into the document tracking system. After a spike in the amount of correspondence received and processed by Commission staff last year, attributed to the Customer Choice program, the volume returned to a level generally consistent with the previous three years.



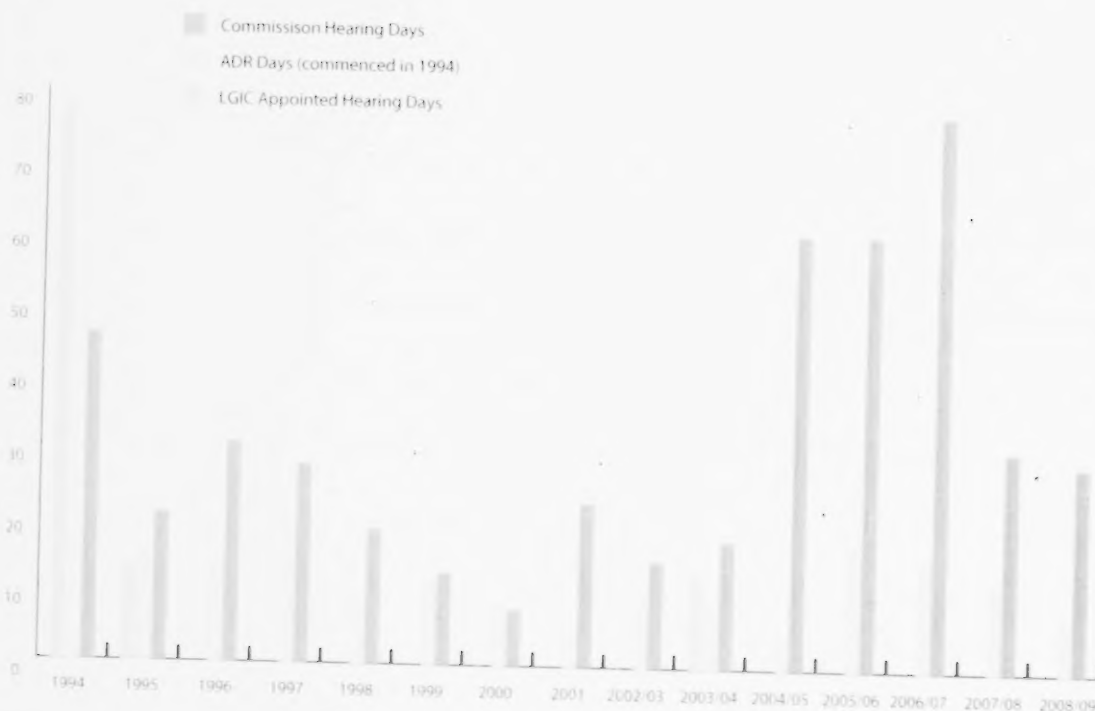
TOTAL CORRESPONDENCE RECEIVED

HEARING AND ALTERNATIVE DISPUTE RESOLUTION DAYS

The Negotiated Settlement Process is part of the Commission's efforts to improve the quality and efficiency of regulation. Use of the Negotiated Settlement Process, which is also referred to as Alternative Dispute Resolution, requires considerable work before, during and after the negotiations. Revised "Negotiated Settlement Process: Policy, Procedures and Guidelines" were issued in 2001 [Letter L-3-01].

Alternative Dispute Resolution, the use of formulas for setting ROEs, and multi-year performance based settlements all contributed to the declining trend in the number of hearing days (see chart) until 2003/04. New Commission responsibilities for the regulation of ICBC's mandatory basic insurance, regulation of BCTC, and the re-regulation of BC Hydro rates contributed to the increased number of hearing days in 2004/05 and since. Matters referred to the Commission by the Lieutenant Governor in Council, such as the Kemano Completion Project and the Heritage Contract Inquiry, can have a dramatic effect on the number of hearing days, for example, in 1994 the Kemano Completion Project was reviewed over 77 hearing days and in 2003 the Heritage Inquiry was reviewed over 13 days.

The Section 5 Transmission Inquiry which commenced at the end of the fiscal year will have a significant effect on the number of hearing days in the coming year.



DISPUTE RESOLUTION DAYS

CUSTOMER COMPLAINTS AND INQUIRIES

Inquiries from Utility Customers concerning terms and conditions of utility service, quality of service, rate increases, billing and payment requirements, disconnections, etc.

An important aspect of the Commission's mandate is to apply regulation in a manner that reflects fair, consistent and clearly enunciated standards. Commission staff is available to assist the public in dealing with regulated utilities so that problems and inquiries are handled in a prompt, helpful and efficient manner.

Most complaints and inquiries are resolved through discussions between the customer and the utility concerned. Unresolved issues are referred to the Commission. To facilitate communication between the Commission and the customers of regulated utilities wishing to file complaints or have points clarified, toll-free calling from anywhere in the Province is available.



COMPLAINTS

During 2008/09, four requests for information were made under the Freedom of Information and Protection of Privacy Act

SUMMARY OF 2008/09 CUSTOMER COMPLAINTS

	Category Breakdown	Total
Big White Propane Utility		0
BC Hydro and Power Authority		146
General Complaints	40	
Quality of Service	67	
Billing	24	
Disconnected/Security Deposit Requirement	15	
British Columbia Transmission Corporation		1
Cal-Gas Inc.		0
Central Heat Distribution Limited		1
Central Coast Power Corporation		1
Corix Multi Utility Services Ltd.		0
FortisBC Inc.		13
Hemlock Valley Electrical Services Ltd.		1
Insurance Corporation of British Columbia		1
Nelson Hydro		0
Pacific Northern Gas Ltd.		2
Pacific Northern Gas (N.E.) Ltd.		0
Port Alice Gas Inc.		0
Silversmith Power and Light		1
Stargas Utilities Ltd.		0
Sun Peaks Utilities Co. Ltd.		0
Terasen Gas Inc.		203
General Complaints	62	
Billing	112	
Disconnected/Security Deposit Requirement	29	
Terasen Gas (Vancouver Island) Inc.		10
Total 2008/09 Complaints/Inquiries		380

CUSTOMER COMPLAINTS REGARDING THE CUSTOMER CHOICE PROGRAM AND GAS MARKETERS

The Commission accepts complaints from the public who have a general complaint or concern about a gas marketer and who may or may not have entered into an agreement with a gas marketer for the Customer Choice Program. The types of complaints may include customer service, program administration, or gas marketer Code of Conduct issues such as salesperson conduct or marketing practices.

Many complaints are successfully resolved between the complainant and the gas marketer without the involvement of the Commission. However, in instances where resolution is not achieved, the Commission accepts complaints in writing, either by email, fax, or letter, and will assist the public with unresolved complaints.

In 2008/09, the Commission processed a total of 297 written complaints.



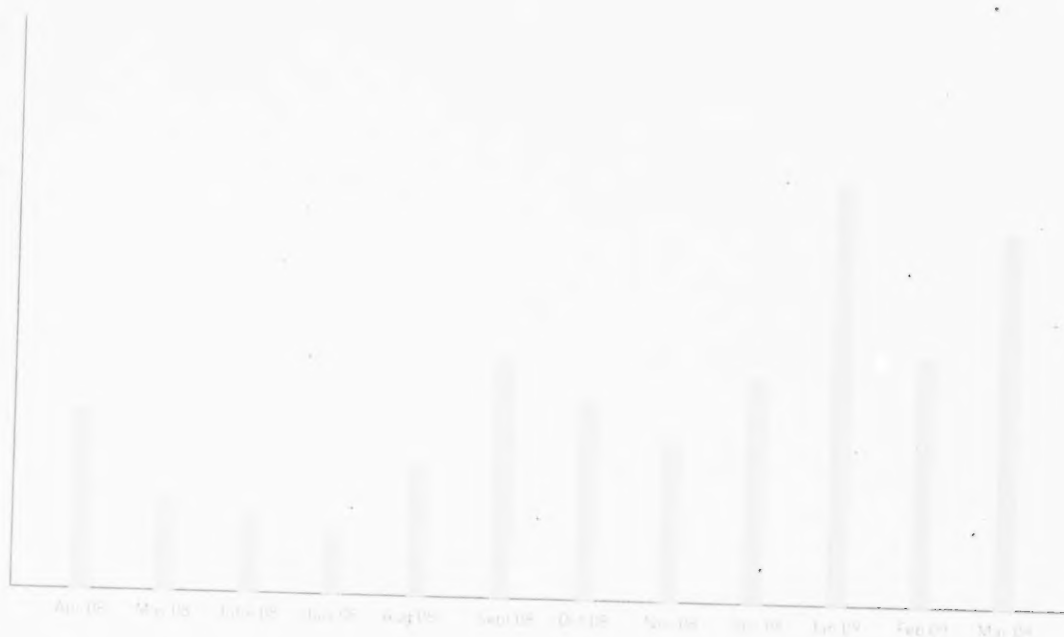
CUSTOMER COMPLAINTS

CUSTOMER DISPUTES OF GAS MARKETER CONTRACTS

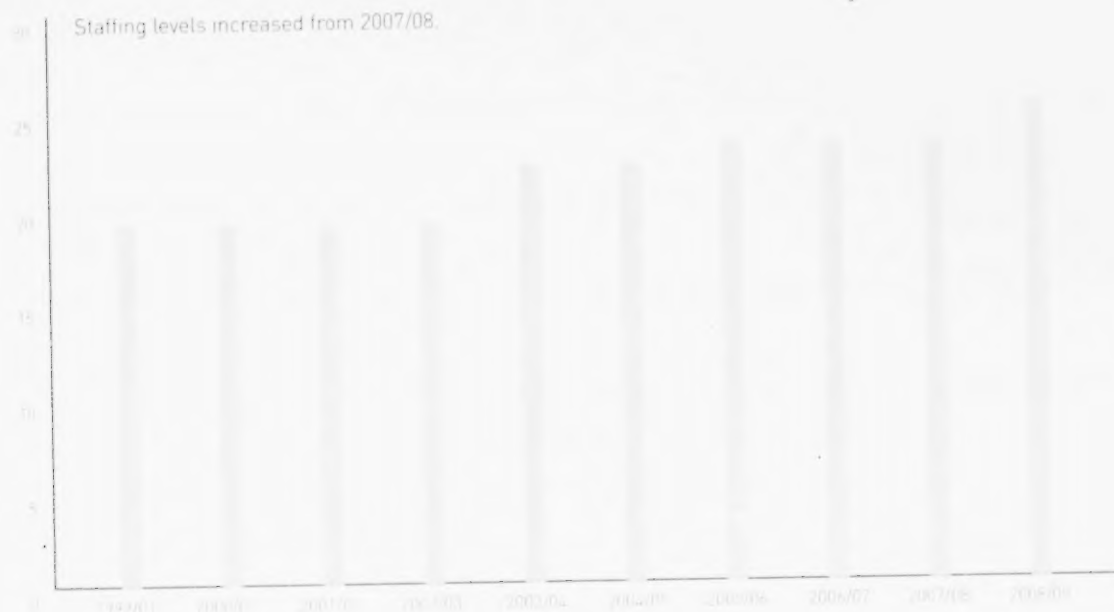
Some customer complaints are brought to the Commission's attention by way of the dispute resolution system. The dispute process is available for customers who have signed a contract with a gas marketer and wish to dispute their contract. Contracts may be disputed for a number of reasons including contract term, contract price, validity of the contract, and gas marketer Code of Conduct issues.

Some disputes are successfully resolved directly between the customer and the gas marketer. Customers are advised to attempt resolution of their dispute directly with the gas marketer prior to seeking third party resolution from the Commission by lodging a dispute through the dispute resolution process.

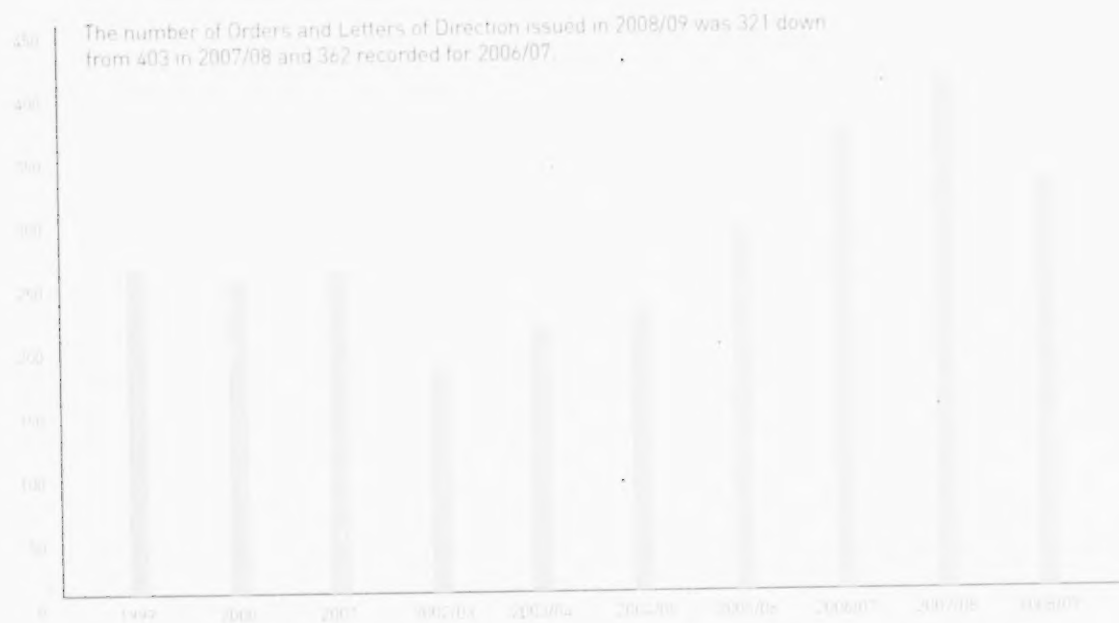
In 2008/09 the Commission received 3,404 disputes through the dispute resolution system. This figure includes some instances in which the gas marketer agreed to cancel a customer's contract on their own discretion, without a Commission determination.



CUSTOMER DISPUTES



STAFFING LEVELS

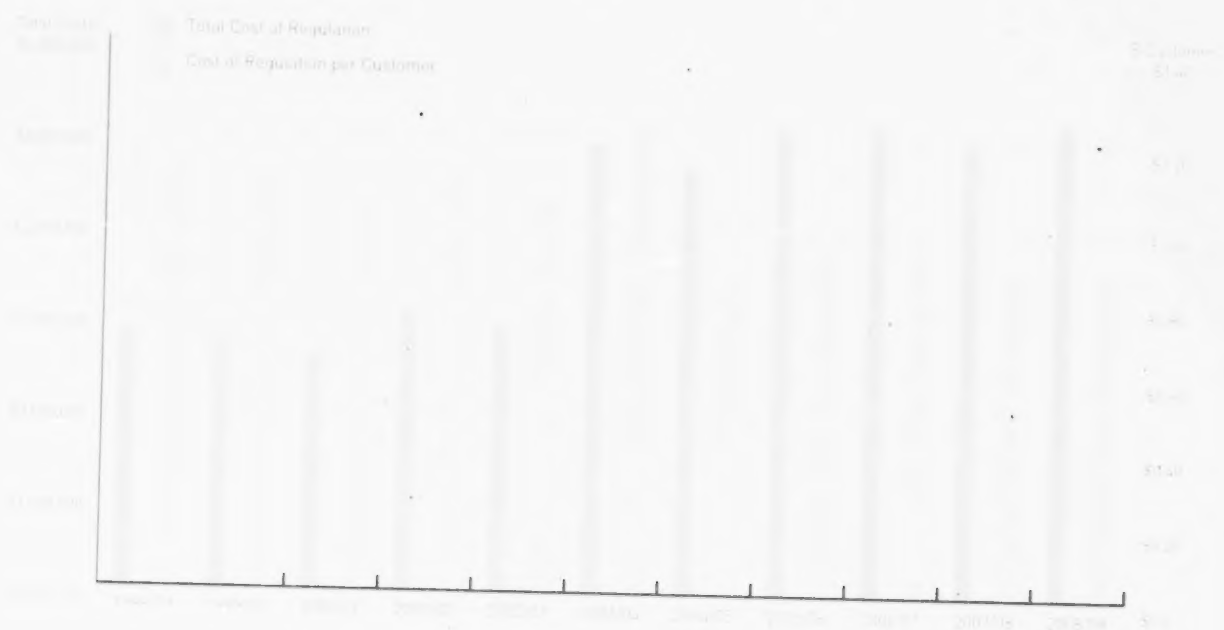


DIRECTIVES ISSUED

COMMISSION EXPENDITURES AND COST OF REGULATION PER CUSTOMER

The Commission's expenditures for fiscal year 2008/09 were \$5,234,879.62 million, an increase of 6.79 percent from 2007/08. This was caused primarily by an increase in regulatory and human resource activities.

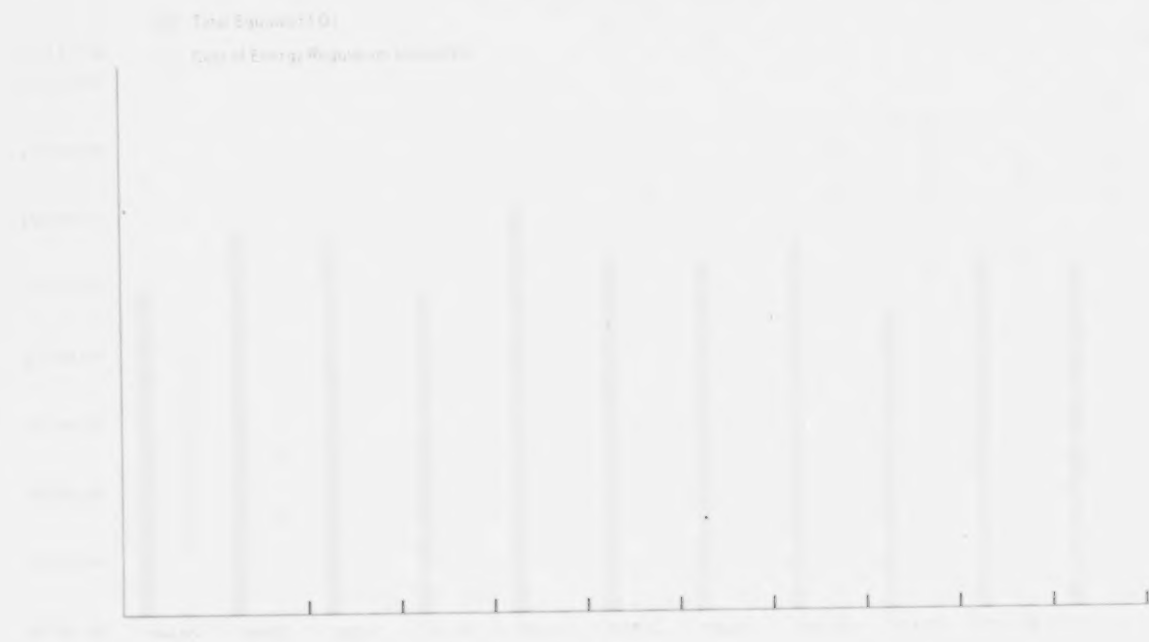
The cost of regulation per customer is calculated by dividing Commission expenditures by the total number of customers of regulated utilities. For the six years prior to 2003/04, it has been under one dollar per customer, about half of what it was in the early 1990s. The rise in the cost of regulation in 2003/04 primarily reflects the return of BC Hydro to Commission regulation, the regulation of ICBC and BCTC and an increase in the number of hearing days.



COMMISSION COSTS

COST OF ENERGY REGULATION PER EQUIVALENT GIGAJOULE OF ENERGY SOLD (CENTS)

The cost of regulation per gigajoule (equivalent) of energy sold is calculated by dividing Commission energy regulation expenditures by the amount of energy sold or transported by utilities in that year.



COST OF ENERGY REGULATION

CYCLE TIMES

The following graph portrays the "cycle" or "turnaround" times - the time elapsed between the receipt of an Application and a Commission decision - related to "Non-Hearing" Applications which are usually straightforward and not controversial. These applications are managed by staff review and analysis, often with supplementary information requests and responses from the utility, but without a formal public review. Average cycle times, by quarter, ranged from 22 to 33 calendar days in 2008/09.



SUMMARY OF COMMISSION ORDERS ISSUED IN 2008/09

Copies of the Commission's Orders are available from the BCUC web site at: <http://www.bcuc.com/OrderIndex.aspx>

Table 1: Summary of Orders

Order No.	Utility	Description
G-58-08	BCTC	Approval to Incur Capital Expenditures to Construct the 5L51 and 5L52 Thermal Upgrade Project
G-62-08	FortisBC	Certificate of Public Convenience and Necessity for the Advanced Metering Infrastructure Project - Amended Regulatory Timetable
G-63-08	Direct Energy Marketing Limited	Breach of the Code of Conduct for Gas Marketers
G-64-08	Planet Energy Corporation	Breach of the Code of Conduct for Gas Marketers
G-65-08	BC Hydro	Amend the Termination Date of Tariff Supplement No. 69
G-66-08	Terasen Gas	Approval to Issue Medium Term Note Debentures up to \$600 million
G-67-08	Terasen Gas	Service and Transportation Agreements Housekeeping Changes effective February 18, 2008
G-68-08	Terasen Gas	Rate Schedule 22B - Large Industrial Tariff Supplements No. G-13, G-14 and G-15 Transportation Service at Negotiated Interruptible Rates - Elk Valley Coal Corporation, Elkview Operations, Forging River Operations and Greenhills Operations
G-69-08	BC Hydro	Amend Tariff Supplement No. 74 - Customer Baseline Load Determination Guidelines and Approval of Revised F2008 Customer Baseline Loads to Reflect a 365 Day Leap Year
G-70-08	FortisBC	Flow-Through BC Hydro Power Purchase Interim Rate Increase
G-71-08	Aitken Creek Gas Storage ULC	Exemption from the Utilities Commission Act for the Aitken Creek Storage Facility
G-72-08	BC Homeowners Natural Gas Corporation	Application for a Gas Marketer License with Reasons for Decision
G-73-08	ICBC	Regional Claim Centers Allocation - Reasons for Decision
G-74-08	Terasen Gas	Rate Schedule 14A for the 2008/09 Gas Contract Year Application
G-75-08	FortisBC	Issuance of Additional Common Shares
G-76-08	BC Hydro	2008 Residential Incising Block Application - Notice of Oral Hearing/Regulatory Timetable
G-77-08	BC Hydro	Orders Varying the Pricing of Rate Schedules 1823, 1825, 1880 and 1890 - Notice of Written Hearing/Timetable
G-78-08	BC Hydro	F2009 and F2010 Revenue Requirements Application - Negotiated Settlement Process Regulatory Agenda

SUMMARY OF COMMISSION ORDERS ISSUED IN 2008/09 (CONTINUED)

Order No.	Utility	Description
G-79-08	Imperial Oil Resources	Exemption from Part 3 and section 71 of the UTILITIES COMMISSION ACT for Electrical Distribution Facilities in the Boundary Lake Area and Authorization to Sell Electricity to ATCO Electric Ltd.
G-80-08	Smart Energy	Reconsideration of Commission Order No. G-45-08
G-81-08	Al Stober Construction Ltd.	Exemption from Part 3 of the UTILITIES COMMISSION ACT for the Supply of Heat from the Landmark Buildings to the Strata Lands
G-82-08	BCTC	Certificate of Public Convenience and Necessity for the Central Vancouver Island Transmission Project - Notice of Procedural Conference/Regulatory Timetable
G-83-08	FortisBC	Request for Extension of Filing Dates of Cost of Service Study and Rate Design Application - Reasons for Decision
G-84-08	BCUC	Recovery of Commission Costs for the 2008/09 Fiscal Year
G-85-08	Port Alice	Change to the Propane Commodity Price Bands in the Commodity Fee Formula
G-86-08	Direct Energy Marketing Limited	Reconsideration of Commission Order G-63-08 - Phase 2
G-87-08	Conix	Consolidation of Sun Rivers and Sonoma Pines Electric Tariffs and Housekeeping Tariff Changes
G-88-08	Terasen Gas	Carbon Tax and Provincial Tax Rate Treatment
G-89-08	BCTC	F2009 and F2010 Transmission Revenue Requirements - Procedural Conference
G-90-08	Terasen Gas	Extend the Maturity Date of Indebtedness Under the Term Credit Agreement
G-91-08	BC Hydro	Electricity Purchase Agreement and Amending Agreement for the Pine Creek Project
G-92-08	Terasen Gas	Propane Commodity Charges effective July 1, 2008 for the Revelstoke Service Area
G-93-08	Terasen Whistler	Propane Commodity Charges effective July 1, 2008
G-94-08	Terasen Gas	2008 Second Quarter Gas Costs Report and Rate Changes effective July 1, 2008 for the Lower Mainland, Inland, Columbia Service Areas
G-95-08	Terasen Gas	2008 Second Quarter Gas Costs Report and Rate Changes effective July 1, 2008 for the Fort Nelson Service Area
G-96-08	BC Hydro	2008 Long-Term Acquisition Plan - "DSM Plan" Technical Workshop and Procedural Conference

SUMMARY OF COMMISSION ORDERS ISSUED IN 2008/09 (CONTINUED)

(Orders / Motions)

Order No.	Utility	Description
G-97-08	BC Hydro	Transmission Service Re-Pricing Application -Orders Varying the Pricing of Rate Schedules 1823, 1825, 1880 and 1890 - Reasons for Decision
G-98-08	Big White	2006 Revenue Requirements Application Withdrawn
G-99-08	PNG-West	Natural Gas Commodity Charges effective July 1, 2008 for the PNG-West and Granisle Service Areas
G-100-08	PNG (N.E.)	Natural Gas Commodity Charges effective July 1, 2008 for the Fort St. John/ Dawson Creek and Tumbler Ridge Service Areas
G-101-08	FortisBC	Agreements for the Supply of Electricity to Wholesale Customers
G-102-08	Terasen Gas	Energy Efficiency and Conservation Programs Application - Preliminary Regulatory Timetable
G-104-08	BC Hydro/BCTC	Exception to BCTC's Standards of Conduct and Exception to BC Hydro's Standards of Conduct - Reasons for Decision
G-105-08	BCTC	F2009 and F2010 Transmission Revenue Requirements - Negotiated Settlement
G-106-08	BCTC	Certificate of Public Convenience and Necessity for the Central Vancouver Island Transmission Project - Regulatory Timetable and Notice of Community Input Session
G-107-08	BCTC	Transmission System Capital Plan F2009 to F2018 - Reasons for Decision
G-108-08	FortisBC	Certificate of Public Convenience and Necessity for the Copper Conductor Replacement Project - Notice of Application and Workshop/Regulatory Timetable
G-109-08	FortisBC	2009-2010 Capital Expenditure Plan and Review of 2009 System Development Plan Update - Notice of Application and Workshop/Regulatory Timetable
G-110-08	BCTC	Temporarily Suspend the Release of Firm Available Transfer Capacity on the BC to Alberta Path - Reasons for Decision
G-111-08	Smart Energy	Reconsideration of Commission Order No. B-45-08 - Reasons for Decision
G-112-08	FortisBC	Certificate of Public Convenience and Necessity for the Okanagan Transmission Reinforcement Project - Regulatory Timetable
G-113-08	Terasen Gas	Customer Choice Program Enhancements and Additional Customer Education Funding - Regulatory Timetable
G-114-08	Terasen Gas	Customer Choice Program Statistics for the Commission Website and Modifications to the Rules for Gas Marketers engaged in Commodity Unbundling Service in The Province of British Columbia - Reasons for Decision

SUMMARY OF COMMISSION ORDERS ISSUED IN 2008/09 (CONTINUED)

Order No.	Utility	Description
G-115-08	Terasen Gas	Notice of Marketer Failure and Application for Order Declaring Marketer Failure and Revoking Marketer's License as Gas Marketer in respect of the Wholesale Energy Group Ltd. a subsidiary of SemCanada Energy Company and SemGroup L.P. - Written Hearing Process
G-116-08	Terasen Gas/ Wholesale Energy Group Ltd	Order Declaring Marketer Failure and Revoking Marketer's Licence
G-117-08	BC Hydro	Certificate of Public Convenience and Necessity for the Central Vancouver Island Transmission Project - Amended Regulatory Timetable
G-118-08	CEG Energy Options Inc	Complaint concerning the Determination by Terasen Gas Inc. of the Total Delivery Requirement Calculation that is administered as part of Rate Schedule 36 - Reasons for Decision
G-119-08	BC Hydro	F2009 and F2010 Revenue Requirements - NSP Settlement Discussions and Pre-hearing Conference
G-120-08	TGI Terasen Whistler TGI	2008 Resource Plan
G-121-08	Central Coast Power Corporation/	Boralex Ocean Falls Limited Partnership - Sale and Disposition of Utility Assets of Central Coast Power Corporation to Boralex Ocean Falls Limited Partnership - Notice of Written Hearing and Regulatory Timetable
G-122-08	BC Hydro	F2009 and F2010 Revenue Requirements - Amended Regulatory Timetable - Reasons for Decision
G-123-08	BCTC	Approval to incur Capital Expenditures to Interconnect the Independent Power Producers' Combined Clowhom River and Bear Creek Projects to the BCTC System
G-124-08	BC Hydro	2008 Residential Inclining Block Application - Reasons for Decision - Tariff Implementation
G-125-08	ICBC	Amendment of its Basic Insurance Tariff for Implementation of Driver Risk Premium
G-126-08	BC Hydro	2008 Long-Term Acquisition Plan - Regulatory Timetable Evidentiary Phase
G-127-08	Terasen Gas	Revised 2008 Third Quarter Gas Costs Report and Rate Changes effective October 1, 2008 for the Lower Mainland, Inland and Columbia Service Areas
G-128-08	Terasen Gas	2008 Third Quarter Gas Costs Report and Rate Changes effective October 1, 2008 for the Fort Nelson Service Area
G-129-08A	ICBC	Amend its Basic Insurance Tariff to Include the Courtesy Car Adjustment Program - Reasons for Decision

SUMMARY OF COMMISSION ORDERS ISSUED IN 2008/09 (CONTINUED)

General Orders

Order No.	Utility	Description
G-130-08	Terasen Gas/TGVI	Energy Efficiency and Conservation Programs Application - Regulatory Timetable - Reasons for Decision - Notice of Written Hearing
G-131-08	PNG-West and Granisle Service Areas	Natural Gas Commodity Charges effective October 1, 2008 for the PNG-West
G-132-08	PNG (N.E.)	Natural Gas Commodity Charges effective October 1, 2008 for the Fort St. John/ Dawson Creek and Tumbler Ridge Service Areas
G-133-08	Universal	Complaint Inquiry - Customer Choice Program
G-134-08	BC Hydro	F2009 and F2010 Revenue Requirements - COPE Evidence and BC Hydro Procurement - Reasons for Decision
G-135-08	BCTC	Disposition of the F2008 Deferral Accounts
G-136-08	Terasen Gas	Gas Supply Mitigation Incentive Program for the 2008/09 Gas Contract Year
G-137-08	BCTC	Certificate of Public Convenience and Necessity for the Central Vancouver Island Transmission Project - Amended Regulatory Agenda
G-138-08	BC Hydro	Reconsideration of Commission Order G-130-07 regarding Decision Directive 19 regarding the 2007 Rate Design Application - Phase 1
G-139-08	Al Stober Construction	Rescind Exemption from Part 3 of the Utilities Commission Act for the Supply of Heat from the Landmark Buildings to the Strata Lands
G-140-08	Terasen Gas	Customer Choice Program Enhancements and Additional Customer Education Funding - Implementation of Release 1 and Release 2
G-141-08	FortisBC	2008 Annual Review, 2009 Revenue Requirements and Negotiated Settlement Process - Regulatory Timetable
G-142-08	Terasen Gas	2008 Annual Review and 2009 Revenue Requirements - Regulatory Timetable
G-143-08	TGVI	2008 Settlement Update Meeting and 2009 Revenue Requirements - Regulatory Timetable
G-144-08	Terasen Gas	Amend Schedule of Rates for the Fort Nelson Service Area effective January 1, 2009
G-145-08	TGVI	Deferral Account for Currency Exchange Rate Differences for the Mt. Hayes LNG Storage Facility Project
G-146-08	FortisBC	Certificate of Public Convenience and Necessity for the Benaville Substation Project - Regulatory Timetable and Notice of Procedural Conference
G-147-08	FortisBC	Extend the Filing Dates for its 2008 Cost of Service Analysis and Rate Design Application
G-148-08	BC Hydro	Amend Section 2.1 of Rate Schedule 3805 Power Purchase Agreement - Regulatory Timetable and Notice of Oral Public Hearing

SUMMARY OF COMMISSION ORDERS ISSUED IN 2008/09 (CONTINUED)

Order No.	Utility	Description
G-149-08	PNG-West	Term Sheet between PNG and LNG Partners LLC - Preliminary Regulatory Timetable
G-150-08	PNG (N.E.)	2008 Resource Plan
G-151-08	Canada Place Corporation	Exemption from Part 3 of the Utilities Commission Act for the Supply of Cooling to Westbank Projects Corporation
G-152-08	Terasen Whistler	Amend Schedule of Rates effective January 1, 2009 and Return on Equity and Capital Structure - Regulatory Timetable and Notice of Application
G-153-08	Terasen Gas	Amend Schedule of Rates for the Fort Nelson Service Area effective January 1, 2009 - Regulatory Timetable for Written Hearing Process
G-154-08	BC Hydro	Amend Section 2.1 of Rate Schedule 3808 Power Purchase Agreement - Amended Regulatory Timetable and Commission Evidentiary Record
G-155-08	ICBC	Rate Design Application for Universal Compulsory Automobile Insurance (Basic Insurance) Policyholder Non-Insurance Costs Payments - Flat Rate Non-Insurance Costs
G-156-08	Terasen Gas	Gas Supply Mitigation Incentive Program for the 2008/09 Gas Contract Year
G-157-08	Universal	Complaint Inquiry Customer Choice Program - Inquiry Report
G-158-08	BC Hydro	Re-Price Net Metering Services - Regulatory Timetable/Written Hearing
G-159-08	Stargar	Acceptance of a Transaction Confirmation under its Natural Gas Supply and Management Services Agreement with Direct Energy Marketing Limited - Regulatory Timetable and Notice of Application and Written Public Hearing
G-160-08	BC Hydro	Amend Rate Schedule 1151 - Exempt Residential Service to Residential Inclining Block Rate Control Group Customers
G-161-08	FortisBC	Certificate of Public Convenience and Necessity for the Benvoulin Substation Project - Regulatory Agenda and Notice of Community Input Session
G-162-08	Big White	2008 Revenue Requirements - Approval of Operating under Existing Tariff
G-163-08	PNG-West	Term Sheet between PNG and LNG Partners LLC - Notice of Written Submission Process
G-164-08	FortisBC	Extension of Filing Dates of Cost of Service Study and Rate Design Application
G-165-08	FortisBC	Certificate of Public Convenience and Necessity for the Copper Conductor Replacement Project - Reasons for Decision
G-166-08	FortisBC	Reconsideration of A Decision approving for FortisBC Inc. a Certificate of Public Convenience and Necessity for the Ellison Substation Project

SUMMARY OF COMMISSION ORDERS ISSUED IN 2008/09 (CONTINUED)

Continued from page 83

Order No.	Utility	Description
G-167-08	ICBC	Proposal Plan for an Independent Third Party Review of ICBC's Financial Allocation Methodology - Workshop and Regulatory Timetable
G-168-08	FortisBC	Certificate of Public Convenience and Necessity for the Advanced Metering Infrastructure Project - Reasons for Decision
G-169-08	Terasen Whistler	Amend Schedule of Rates Effective January 1, 2009 and for a Return on Equity and Capital Structure - Notice of Written Hearing/Regulatory Timetable
G-170-08	BC Hydro	Re-Price Net Metering Services - Amended Regulatory Timetable
G-171-08	ICBC	Basic Insurance Tariff Housekeeping Amendments
G-172-08	Terasen Gas	Amend Schedule of Rates for the Fort Nelson Service Area effective January 1, 2009
G-173-08	Terasen Gas	Certificate of Public Convenience and Necessity for the Fraser River Crossing Upgrade Project - Notice of Written Hearing/Regulatory Timetable
G-174-08	PNG	Term Sheet Between Pacific Northern Gas Ltd. and LNG Partners LLC - Reasons for Decision
G-175-08	BCTC	Amend the Open Access Transmission Tariff and A Complaint by TransCanada Energy Ltd. regarding Firm Transmission Sales to Alberta - Interim Order regarding rollover requests on BC Hydro Service Agreements
G-176-08	Sun Peaks	Amendments to Customer Rates and Acceptance of a Services Agreement with Terasen Energy Services Inc.
G-177-08	BC Hydro	Revised Electric Tariff Supplement No. 27 as a Special Contract for All Customers in the Rogers Pass Area
G-178-08	BC Hydro	2008 Long-Term Acquisition Plan - Amended Regulatory Timetable and Reasons for Decision regarding Intervenor Evidence Filing Deadlines
G-179-08	BCTC	Transmission System Capital Plan F2010 and F2011 - Notice of Written Hearing and Regulatory Timetable
G-180-08	Central Coast Power Corporation/ Boralex Ocean Falls Limited Partnership	Sale and Disposition of Utility Assets of Central Coast Power Corporation to Boralex Ocean Falls Limited Partnership - Decision
G-181-08	Terasen Gas	Customer Choice Program Enhancements and Additional Customer Education Funding Application - Reasons for Decision
G-182-08	PNG	2009 Revenue Requirements for PNG-West Service Area - Preliminary Regulatory Timetable

SUMMARY OF COMMISSION ORDERS ISSUED IN 2008/09 (CONTINUED)

Continued from page 84

Order No.	Utility	Description
G-183-08	PNGNE	2009 Revenue Requirements for PNG (N.E.) Service Area - Preliminary Regulatory Timetable
G-184-08A	PNG	Natural Gas Commodity Charges effective January 1, 2009 for the PNG-West and Granisle Service Areas
G-185-08	PNGNE	Natural Gas Commodity Charges effective January 1, 2009 for the Fort St. John/Dawson Creek and Tumbler Ridge Service Areas
G-186-08	IGBC	Basic Insurance Tariff Consequential Amendments
G-187-08	Terasen Gas	2008 Fourth Quarter Gas Costs Report and Rate Changes including the Residential and Commercial Commodity Unbundling Deferral Cost Recoveries effective January 1, 2009 for the Lower Mainland, Inland, Columbia Service Areas
G-188-08	Terasen Gas	2008 Fourth Quarter Gas Costs Report and Rate Changes effective January 1, 2009 for the Fort Nelson Service Area
G-189-08	Terasen Gas	Propane Commodity Charges effective January 1, 2009 for the Revelstoke Service Area
G-190-08	BC Hydro	Transmission Service Rate F2008 Annual Report - Written submissions to the Commission regarding the TSR F2008 Annual Report and BC Hydro's proposed Terms of Reference
G-191-08	Terasen Gas	2009 Revenue Requirements and Delivery Rates
G-192-08	TGVI	2009 Rates, 2009 Cost of Service and Revenue Deficiency Deferral Account Balance as at December 31, 2007
G-193-08	FortisBC	2008 Annual Review, 2009 Revenue Requirements and Negotiated Settlement Process - Negotiated Settlement
G-194-08	Terasen Gas/TGVI/Terasen Whistler	2008 Resource Plan - Reasons for Decision
G-195-08	BCTC	Amend the BCTC Open Access Transmission Tariff and A Complaint by TransCanada Energy Ltd. Re: Service Agreement between TCE and BCTC for Long Term Firm Point-to-Point Transmission Service - Notice of Procedural Conference/Regulatory Timetable
G-196-08	FortisBC	Interim Emergency Curtailment Order
G-197-08	BC Hydro	Electric Tariff Supplement No. 76 - Agreement for Provision of Shore Power Service to Canada Place
G-198-08	Smart Energy	Reconsideration of Commission Order G-45-08 and Reconsideration Decision Order G-111-08

SUMMARY OF COMMISSION ORDERS ISSUED IN 2008/09 (CONTINUED)

General Orders

Order No.	Utility	Description
G-199-08	FortisBC	Sub Contractor Agreement between FortisBC Inc. and Fortis Pacific Holdings Inc. for the Supply of Resources to the Brilliant Expansion Power Corporation - Reasons for Decision
G-200-08	Smart Energy	Renewal of Gas Marketer Licence - Requirement for Financial Statements
G-201-08	Universal	Reconsideration of Commission Order G-157-08 - Phase 2
G-202-08	BC Hydro	Transmission Service Rates Customer Baseline Load F2009 Application - Interim Approval
G-1-09	Stargas	Transaction Confirmation under its Natural Gas Supply and Management Services Agreement with Direct Energy Marketing Limited
G-2-09	BCTC	Deferral Account for Section 5 Inquiry Costs
G-3-09	BCTC	Amend the Open Access Transmission Tariff and A Complaint by TransCanada Energy Ltd. Re: BCTC Firm Transmission Sales to Alberta - Regulatory Timetable/Notice of Hearing
G-4-09	BC Hydro	Re-Price Net Metering Services - Reasons for Decision
G-5-09	FortisBC	Equity Infusion - Issue Additional Common Shares
G-6-09	Central Heat	Long-Term Debt Financing
G-7-09	BC Hydro	Transmission Service Rates Customer Baseline Load F2009
G-8-09	BC Hydro	BC Sustainable Energy Association and the Sierra Club of BC - Reconsideration of Commission Order F-25-08 (RIB)
G-9-09	Terasen Gas	Customer Choice Program Compliance Filing pursuant to Order G-181-08 and Decision dated December 12, 2008
G-10-09	BC Hydro	Transmission Service Rate Evaluation Report - Terms of Reference/ F2009 Transmission Service Rate Annual Report - Regulatory Timetable
G-11-09	FortisBC	2009-2010 Capital Expenditure Plan and Review of 2009 System Development Plan Update
G-12-09	BC Hydro	Amend its Interconnected Operations Services and Loss Compensation Services Rate Schedules
G-13-09	BCTC	Amend its Loss Compensation Service Rate Schedules
G-14-09	BC Hydro	Tariff Supplement No. 77 - Electricity Supply Agreement with Xcel Limited Partnership
G-15-09	PNG	Purchase of its Own Common Shares
G-16-09	BC Hydro	F2009 and F2010 Revenue Requirements Application - Decision
G-17-09	PNG	2008 Unaccounted for Gas Loss Above 0.7 Percent

SUMMARY OF COMMISSION ORDERS ISSUED IN 2008/09 (CONTINUED)

Revelstoke Index

Order No.	Utility	Description
G-18-09	Kyuquot Power Ltd.	Revision to Electric Tariff Rate Schedule 1102
G-19-09	BCTC	Transmission System Capital Plan F2010 and F2011 – Amended Regulatory Timetable
G-20-09	City of Nelson	Electrical Utility Amendment By-Law No. 3129, 2009
G-21-09	ICBC	Basic Insurance Tariff Amendment to Section 3 A ICBC Payment Plan
G-22-09	TGVI	2009 First Quarter Gas Costs Report effective April 1, 2009
G-23-09	Terasen Gas	2009 First Quarter Gas Costs Report and Rate Changes effective April 1, 2009 for the Lower Mainland, Inland, and Columbia Service Areas
G-24-09	Terasen Gas	Propane Commodity Charges effective April 1, 2009 for the Revelstoke Service Area
G-25-09	Terasen Gas	2009 First Quarter Gas Costs Report and Rate Changes effective April 1, 2009 for the Fort Nelson Service Area
G-26-09	BCTC	Amend the BCTC Open Access Transmission Tariff and A Complaint by TransCanada Energy Ltd. Re: Service Agreement between TCE and BCTC for Long Term Firm Point-to-Point Transmission Service – Amended Regulatory Timetable for the TransCanada Energy Complaint Oral Hearing
G-27-09	PNG	Natural Gas Commodity Charges effective April 1, 2009 for the PNG-West and Granisle Service Areas
G-28-09	PNGIN.EI	Natural Gas Commodity Charges effective April 1, 2009 for the Fort St. John/, Dawson Creek and Tumbler Ridge Service Areas
G-29-09	Corus	Propane Supply Agreement and Approval of a Decrease to the Gas Cost Recovery Charge Panorama Mountain Resort
G-30-09	BCUC	British Columbia's Electricity Transmission Infrastructure and Capacity Needs for the Next 30 Years – Notice of Workshop and Preliminary Procedural Conference
G-31-09	ICBC	Proposal Plan for an Independent Third Party Review of ICBC's Financial Allocation Methodology – Reasons for Decision

CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

Order No.	Utility	Description
Order No.	Utility	Description
C-1-08	Dockside Green Energy LLP	Certificate of Public Convenience and Necessity to construct and operate a District Energy System for the Dockside Green Project in Victoria, B.C. and Approval of the proposed Revenue Requirement, Rate Design and Levelized Rates – Reasons for Decision
C-2-08	Terasen Gas	Operating Agreement with The Corporation of the Village of Warfield
C-3-08	Dockside Green Energy LLP	Reconsideration of Certain Provisions of Commission Order No. C-1-08 and Reasons for Decision
C-4-08	BCTC	Certificate of Public Convenience and Necessity for the Interior to Lower Mainland Transmission Project – Decision
C-5-08	FortisBC	Certificate of Public Convenience and Necessity for the Okanagan Transmission Reinforcement Project – Decision
C-6-08	BCTC	Certificate of Public Convenience and Necessity for the Central Vancouver Island Transmission Project – Decision
C-1-09	FortisBC	Certificate of Public Convenience and Necessity for the Benaville Substation Project – Decision
C-2-09	Terasen Gas	Certificate of Public Convenience and Necessity for the Upgrade of the Transmission Pipeline Crossing of the South Arm of the Fraser River – Reasons for Decision

ENERGY SUPPLY CONTRACTS

Order No.	Utility	Description
E-6-08	TGVI	Commodity Baseload Purchases for the period April 1, 2008 to October 31, 2008
E-7-08	Terasen Gas	Firm Natural Gas Storage Agreements between the Aitken Creek Gas Storage ULC and Terasen Gas Inc.
E-8-08	Terasen Gas	Propane Supply Agreement with MF Energy Partnership – Kootenai Service Area
E-9-08	BC Hydro	Amending Agreements to Electricity Purchase Agreements and Transmission Developments related to Electricity Purchase Agreements filed for information
E-10-08	FortisBC	Electricity Purchase Agreements with Tack / Corbin / Ltd. and Columbia Power Corporation
E-11-08	Terasen Gas	Deferred Exchange Agreement between Terasen and Avista Corporation
E-12-08	PNG	Synthetic Natural Gas Storage Agreement with Terasen Gas Inc. effective April 1, 2008 to March 31, 2012
E-13-08	TGVI	Storage Sublease Agreement for Aitken Creek Storage between TGVI and TGI dated May 21, 2005 for Firm Gas Storage Services from April 1, 2008 to March 31, 2013

ENERGY SUPPLY CONTRACTS (CONTINUED)

Order No.	Utility	Description
E-14-08	BC Hydro	Amending Agreement to Electricity Purchase Agreement and Contractual Developments related to Electricity Purchase Agreements
E-15-08	Terasen Gas	Special Provisions for the Iberdrola Canada Energy Services Ltd. Gas EDI Base Contract
E-16-08	Terasen Gas	Mist Storage Contracts and a Related Delivery Agreement
E-17-08	BC Hydro	Amending Agreement to Electricity Purchase Agreements and Contractual Developments related to Electricity Purchase Agreements filed for Information
E-18-08	Sun Peaks	Propane Supply Agreement with MP Energy Partnership
E-19-08	PNG	2008/2009 Natural Gas Supply Contracts
E-20-08	Terasen Gas	Nexen Marketing U.S.A. Inc. - Gas Electronic Data Interchange (EDI) Base Contract
E-21-08	Terasen Gas	EOG Resources Canada - Gas Electronic Data Interchange (EDI) Base Contract
E-22-08	Terasen Gas	Natural Gas Supply Contracts for the 2008/09 Contract Year
E-23-08	TQVI	Baseload, Seasonal and Peaking natural gas supply contracts for 2008/08
E-24-08	Terasen Gas	North American Energy Standards Board Inc. Base Contract with Avista Corporation
E-25-08	BC Hydro	Amending Agreement to Electricity Purchase Agreements and Contractual Developments related to Electricity Purchase Agreements filed for Information
E-1-09	FortisBC	Electricity Purchase Agreement with Teck Cominco Metals, Ltd.
E-2-09	BC Hydro	Amending Agreement to Electricity Purchase Agreements and Contractual Developments related to Electricity Purchase Agreements filed for Information
E-3-09	Terasen Gas	Natural Gas Supply Contracts for the period April 1 to October 31, 2009

PARTICIPANT ASSISTANCE/COST AWARDS

Order No.	Utility	Description
E-14-08	BC Hydro	Standing Offer Program Negotiated Settlement - \$69,991.22
E-15-08	BCTC	Approval to Incur Capital Expenditures to Construct the 3L51 and 3L52 Thermal Upgrade Projects - \$13,590.93
E-12-08	PNG West	2008 Revenue Requirements and Rate Application - \$10,655.25
E-13-08	PNG (NE)	2008 Revenue Requirements and Rates Negotiated Settlement Process Application - \$4,644.75

PARTICIPANT ASSISTANCE/COST AWARDS (CONTINUED)

Order No.	Utility	Description
F-18-08	ICBC	Regional Claim Centres Allocation Application - \$6,527.64
F-19-08	BCTC	F2009 and F2010 Transmission Revenue Requirements - \$13,114.50
F-20-08	BCTC	F2009 and F2010 Transmission Revenue Requirements - \$22,029.00
F-21-08	BCTC	Transmission System Capital Plan F2009 to F2018 - \$23,115.75
F-22-08	BC Hydro	Transmission Service Rate Re-Pricing Application - \$11,968.08
F-23-08	BCTC	Certificate of Public Convenience and Necessity for the Interior to Lower Mainland Transmission Project - \$28,308.00
F-24-08	FortisBC	Certificate of Public Convenience and Necessity for the Okanagan Transmission Reinforcement Project - \$36,361.98
F-25-08	BC Hydro	2008 Residential Inclining Block Rate - \$162,994.19
F-26-08	FortisBC	Certificate of Public Convenience and Necessity for the Advanced Metering Project - \$8,695.47
F-27-08	FortisBC	Certificate of Public Convenience and Necessity Application for the Copper Conductor Replacement Project - \$2,096.50
F-28-08	PNG	Term Sheet between Pacific Northern Gas Ltd. and LNG Partners LLC - \$2,320.50
F-29-08	FortisBC	2008 Annual Review, 2009 Revenue Requirements and Negotiated Settlement Process - \$14,711.64
F-1-09	Terasen Gas/TGVI Terasen Whistler	2008 Resource Plan - \$5,936.88
F-2-09	BCTC	Interior to Lower Mainland Transmission Project CPCN - \$17,703.00
F-3-09	FortisBC	2008 Annual Review, 2009 Revenue Requirements and Negotiated Settlement Process - \$9,702.06
F-4-09	BCTC	Central Vancouver Island Transmission CPCN Project - \$11,960.63
F-5-09	Terasen Gas	2009 Revenue Requirements and Delivery Rates - \$4,571.75
F-6-09	TGVI	2009 Rates, 2009 Cost of Service and Revenue Deficiency Deferral Account Balance as at December 31, 2007 - \$4,191.13
F-7-09	BC Hydro	Re-Price Net Metering Services - \$3,761.45
F-8-09	FortisBC	2009-2010 Capital Expenditure Plan and Review of 2009 System Development Plan Update - \$7,754.76

PETROLEUM

Order No.	Utility	Description
P-5-08	Trans Mountain	Tolls and Accelerated Depreciation
P-6-08	Plateau	2007 and 2008 Western System Tolls – Amended Regulatory Timetable
P-7-08	Trans Mountain	Reconsideration of Tolls and Accelerated Depreciation Order P-5-09 – Reasons for Decision
P-8-08	Plateau	2007 and 2008 Western System Tolls
P-9-08	Trans Mountain	2009 Interim Tolls
P-1-09	Trans Mountain	2009 Interim Tolls
P-2-09	Plateau	2009 Tolls for the Northeast BC and Blueberry Crude Oil Pipelines

COMMISSION LETTERS

Order No.	Utility	Description
L-12-08	Plateau	2007 and 2008 Western System Tolls – Proposed Regulatory Timetable
L-13-08	Summitt Energy	Breach of the Code of Conduct – Request for Extension of Filing
L-14-08	Independent Power Producers Association of BC	Reconsideration of Order F-13-08 – BC Hydro Filing of 2007 Electricity Purchase Agreement with Alcan Inc. as an Energy Supply Contract Pursuant to Section 71
L-15-08	Terasen Gas	Gas Supply Mitigation Incentive Program for 2006/07 – Commission Staff Overview Report
L-16-08	TGVI	2008 Price Risk Management Plan (November 2008 – October 2011)
L-17-08	BC Hydro	Customer Complaint re: E-Plus Program
L-18-08	PNG-West/ PNGIN E I	Annual Gas Contracting and Price Risk Management Plan – April 2008 for the PNG-West, Fort St. John/Dawson Creek and Tumbler Ridge Divisions
L-19-08	Terasen Gas	2008 Price Risk Management Plan (November 2008 – October 2011)
L-20-08	Terasen Gas	Revelstoke Propane Service Area Price Risk Management Plan 2008-2009
L-21-08	Terasen Whistler	Price Risk Management Plan 2008-2009 Winter Hedge and Storage Plan
L-22-08	Big White	Request for Extension of Filing of Amended 2006 Revenue Requirements
L-24-08	BCTC	Temporarily Suspend the Release of Firm Available Transfer Capacity on the BC to Alberta Path – Request for Comments
L-25-08	BC Hydro	Reconsideration with respect to the 2007 Rate Design Application Phase 1 Decision – Sections 11 and 21 of the Utilities Commission Amendment Act, 2008 and Order G-34-08

COMMISSION LETTERS (CONTINUED)

Order No.	Utility	Description
L-26-08	TGVI	2008 Second Quarter Gas Cost Report – July Rates
L-27-08	Terasen Gas	2008/09 Midstream Annual Gas Contracting Plan (November 2008 – October 2009)
L-28-08	Plateau	2007 and 2008 Western System Tolls (Exhibit A-12) – Chevron Request for Plateau to Respond to Outstanding Information Requests
L-29-08	Trans Mountain	Reconsideration of Commission Order No. P-3-08 and Reasons for Decision – Phase 2
L-30-08	BCTC	Interior to Lower Mainland Transmission Project – Request for Comments on the Harris/Casselman application dated June 12, 2008 for leave to file further submissions
L-31-08	BC Hydro	Residential Inclining Block Rate - Right of Reply by Intervenor to Arguments of the Other Intervenor
L-32-08	BC Hydro	F2009 and F2010 Revenue Requirements – Amended Regulatory Timetable
L-33-08	BC Hydro	Residential Inclining Block Rate – Results of Scoping Submissions (Exhibit A-12)
L-34-08	Plateau	2007 and 2008 Western System Tolls – Amended Regulatory Timetable
L-35-08	TGVI	2008 Annual Gas Contracting Plan – November 2008 – October 2009
L-36-08	Plateau	2007 and 2008 Western System Tolls – Negotiation Extension (Exhibit A-16)
L-37-08	PNG-West	Carbon Tax and Provincial Tax Rate Treatment
L-38-08	FortisBC	Internal Audit Report, July 16, 2008 re: Code of Conduct and Transfer Pricing Policy
L-39-08	Terasen Gas/TGVI	2008 Energy Efficiency and Conservation Programs Application – Second Round of Information Requests (Exhibit A-5)
L-40-08	Terasen Gas	Revelstoke Service Area 2008 Third Quarter Gas Cost Report
L-41-08	TGVI	Third Quarter 2008 Gas Cost Report
L-42-08	Terasen Whistler	Third Quarter 2008 Gas Cost Report
L-43-08	PNG-West/ PNGIN.E.)	Carbon Tax/BC Corporate Income Tax Rate Deferral Accounts
L-44-08	BCUC	Return on Common Equity for a Low-Risk Benchmark Utility - Change of Source Data Used in Calculation

COMMISSION LETTERS (CONTINUED)

Order No.	Utility	Description
L-45-08	Terasen Gas/ TGV/ Terasen Whistler	2008 Resource Plan - Response to request for delay on determination on the Energy Efficiency and Conservation Programs Application related issues (Exhibit A-3)
L-46-08	Terasen Gas	2008 Price Risk Management Plan - [November 2008 - October 2011]
L-47-08	BC Hydro	F2009/F2010 Revenue Requirement - Hearing Issues List will not be issued
L-48-08	Central Coast Power Corporation	Sale and Disposition of Utility Assets of Central Coast Power Corporation to Boralex Ocean Falls Limited Partnership - Amended Regulatory Timetable (Exhibit A-5)
L-49-08	Terasen Gas	Revise Receipt Point Fuel Gas Percentages effective November 1, 2008
L-50-08	FortisBC	Reconsideration of Ellison Substation Project - Phase 1 Request for Comments
L-51-08	BC Hydro	Transmission Service Rates Negotiated Settlement - Variance to Directive 4 of Order G-97-08 - TSR F2008 Annual Report
L-52-08	BC Hydro	Amend Section 2.1 of Rate Schedule 3808 Power Purchase Agreement - Revised Regulatory Timetable (Exhibit A-11)
L-53-08	TransCanada Energy Ltd.	Complaint related to Firm Transmission Service on the BC to Alberta Path
L-54-08	Central Coast Power Corporation	Sale and Disposition of Utility Assets of Central Coast Power Corporation to Boralex Ocean Falls Limited Partnership - Extend Written Argument Process (Exhibit A-8)
L-55-08	BCUC	Return on Common Equity for a Low-Risk Benchmark Utility for the Year 2009
L-56-08	BC Hydro	2008 Long Term Acquisition Plan - Amend Dates for Intervenor Evidence (Exhibit A-11)
L-57-08	BC Hydro	Amend Section 2.1 of Rate Schedule 3808 Power Purchase Agreement - Amended Regulatory Timetable (Exhibit A-15)
L-58-08	BC Hydro	Customer Complaint re: Stray Voltage Issue
L-59-08	ICBC	Independent Third Party Review of ICBC's Financial Allocation Methodology - Amended Regulatory Timetable (Exhibit A-2)
L-60-08	ICBC	Divergence of Initial versus Detailed Cost Estimates of the Impact of Delayed Implementation of the Fourth Category of the Driver Risk Premium Program
L-61-08	BC Hydro	Amend Section 2.1 of Rate Schedule 3808 Power Purchase Agreement - Amended Regulatory Timetable Denied (Exhibit A-16)
L-62-08	BC Hydro	F2009 and F2010 Revenue Requirements Oral Submissions (Exhibit A-25)

COMMISSION LETTERS (CONTINUED)

Order No.	Utility	Description
L-63-08	BC Hydro	F2009 and F2010 Revenue Requirements Oral Phase of Argument Confirmed (Exhibit A-25)
L-64-08	BC Hydro	Amendments to Customer Baseline Loads
L-1-09	Terasen Gas	Customer Choice Program Enhancements and Additional Customer Education Funding - Clarification of Section 9.0 of the Commission's Order G-181-08 and Reasons for Decision
L-2-09	Energy Solutions for Vancouver Island	Reconsideration of Order F-25-08 - BC Hydro 2008 Residential Inclining Block Rate
L-3-09	BC Hydro	Transmission Service Rate F2008 Annual Report -Request for Extension of Written Submissions
L-4-09	FortisBC	Umbrella Agreement for Short-Term Firm or Non-Firm Point to Point Transmission Service Agreement - Review Suspended
L-5-09	BC Hydro	Customer Complaint - Burnaby Lake Greenhouses Ltd. - Billing Issues
L-6-09	Energy Solutions for Vancouver Island	Rescinds Letter L-2-09 - Reconsideration of Order F-25-08 - BC Hydro 2008 Residential Inclining Block Rate
L-7-09	PNG-West	2009 Revenue Requirements Application - Negotiated Settlement Process Regulatory Timetable
L-8-09	FortisBC	Reconsideration of Ellison Substation Project Orders C-4-07 and G-75-07 - Reasons for Decision
L-9-09	FortisBC	Wholesale Customers Power Factor Report
L-10-09	PNGIN.E.I	2009 Revenue Requirements Application - Negotiated Settlement Process Regulatory Timetable
L-11-09	BC Hydro	Amend Section 2.1 of Rate Schedule 3808 Power Purchase Agreement - Additional Submissions following Reply Argument
L-12-09	Terasen Gas	Residential/Commodity Customer Choice Program - Customer Choice Program Enhancement and Additional Customer Education Funding - Future Contracts
L-13-09	BC Hydro	Complaint regarding the Supply of Electrical Service at Birds Eye Cove Estates - Meeting Request
L-14-09	FortisBC	Customer Complaint - International Forest Products Ltd. - Security Deposit

COMMISSION LETTERS (CONTINUED)

Order No.	Utility	Description
L-15-09	BCTC	Open Access Transmission Tariff and A Complaint by TransCanada Energy Ltd. re: Service Agreement between TCE and BCTC for Long Term Firm Point-to-Point Transmission Service – Amended Regulatory Timetable
L-16-09	Terasen Gas	2008-2011 Price Risk Management Plan – Modification of Hedging Limits within Letter L-19-08
L-17-09	BC Hydro	Residential Inclining Block – Extension to filing Rate Schedules
L-18-09	BCUC	Annual Forecasting of Commission Regulatory Filing Requirements
L-19-09	Terasen Whistler	2009 First Quarter Gas Cost Report
L-20-09	BCTC	Interior to Lower Mainland Transmission Project – Request for Comments on BC Court of Appeal decision in Kwikwetlem First Nation v. British Columbia (Utilities Commission)
L-21-09 Prices	Terasen Gas	2008-2011 Price Risk Management Plan – Modification of Hedging Trigger
L-22-09	BCTC	Open Access Transmission Tariff and A Complaint by TransCanada Energy Ltd. re: Service Agreement between TCE and BCTC for Long Term Firm Point-to-Point Transmission Service – Submissions on Second Procedural Conference
L-23-09	BC Hydro	F2009 and F2010 Revenue Requirements – Compliance Filing Amendment

STANDARD ABBREVIATIONS & ACRONYMS

Utility/Applicant	Acronyms
British Columbia Hydro and Power Authority	BC Hydro
Big White Utility Ltd.	Big White
British Columbia Transmission Corporation	BCTC
Cal-Gas Inc.	CalGas
Central Heat Distribution Limited	CHDL
Corix Multi-Utility Services Inc.	Corix
FortisBC Inc.	FortisBC
Hemlock Valley Electrical Services Limited	HVES
Insurance Corporation of British Columbia	ICBC
Kinder Morgan, Inc.	KMI
Pacific Northern Gas Ltd.	PNG, PNG-West
Pacific Northern Gas (N.E.) Ltd.	PNG (N.E.)
Plateau Pipe Line Ltd.	Plateau
Port Alice Gas Inc.	Port Alice Gas
Silversmith Light & Power Corporation	SLPC
Stargas Utilities Ltd.	Stargas
Sun Peaks Utilities Co., Ltd.	Sun Peaks
Sun Rivers Services Corp.	Sun Rivers
The Corporation of the City of Nelson	City of Nelson
Terasen Gas Inc.	Terasen,
(subsidiary of Terasen Inc.)	Terasen Gas, TGI
Terasen Gas (Whistler) Inc.	Terasen Whistler, TGW
Terasen Gas (Vancouver Island) Inc.	Terasen VI, TGVl
Trans Mountain (Jet Fuel) Inc.	Trans Mountain, TMJP
The Yukon Electrical Company Limited	YECL
Allowance for Funds Used During Construction	AFUDC
Alternative Dispute Resolution	ADR
Apartment Customer Rates	ACR
Certificate of Public Convenience and Necessity	CPCN
Energy for our Future: A Plan for BC	Energy Plan or Energy Policy

STANDARD ABBREVIATIONS & ACRONYMS Continued

Utility/Applicant	Acronyms
Gas Cost Reconciliation Account	GCRA
Gas Cost Variance Account	GCVA
Independent Power Producers	IPPs
Insurance Corporation of British Columbia	ICBC
Large General Service	LGS
Natural Gas Marketers	NGM
Natural Gas Vehicles	NGV
Negotiated Settlement Process	NSP
Return on Common Equity	ROE
Small General Service	SGS
Utilities Commission Act	the Act, UCA
Access Gas Services Inc.	Access Gas
Active Energy ULS	Active Energy, Active
CEG Energy Options Inc.	CEG
Direct Energy Marketing Limited	DEML
Energy Savings (B.C.) Limited Partnership	ESBC
FireFly Energy	FireFly
MxEnergy (Canada) Ltd.	MxEnergy
Nexen Energy Solutions	Nexen
Planet Energy (BC) Corp.	Planet Energy, Planet
Premstar Energy Canada Limited Partnership	Premstar
Shell Energy North America (Canada) Inc.	Shell Energy, Shell
Smart Energy (BC) Ltd.	Smart Energy, Smart
Summitt Energy BC L.P.	Summitt Energy, Summitt
Superior Energy Management	Superior Energy, Superior
The Wholesale Energy Group Ltd.	Wholesale Energy, WEG
Universal Energy Corporation	Universal, UEC

Glossary of Terms

allowance for funds used during construction (AFUDC)

The amount a regulated entity is allowed to earn to recover its cost of financing assets under construction. AFUDC is equal to the average cost of the construction work in process, times a financing rate which is usually equal to the entity's cost of capital rate. AFUDC is not recovered immediately through rates; it is included in the cost of the related assets and recovered in future periods through the depreciation charge.

allowed rate of return The rate of return a regulated entity is allowed the opportunity to earn. When applied to the rate base, the allowed rate of return provides an amount equal to the cost of financing the investment required for regulated operations. The financing costs include both the cost of debt and the cost of equity.

alternative dispute resolution (ADR) See "negotiated settlement process".

application for reconsideration An application to have the Commission reconsider, vary, or rescind a decision or order previously issued.

burnertip rate The rate charged for gas at the customer's meter, including the delivery charge, fixed monthly charge and gas commodity charge. It is usually calculated as an annual average rate based on typical annual consumption for the customer class.

capital cost The fixed costs associated with the construction of an energy facility, including land and siting costs, material and labour costs, allowance for funds used during construction, and other applicable overhead charges.

cogeneration The generation of electric power in conjunction with the use of steam in an industrial or space heating process, using waste heat from one process to drive the other. Cogeneration is more efficient compared to traditional thermal generating plants.

commercial commodity unbundling the program provides commercial customers (Rates 2, 3

(also see 'residential commodity unbundling') and 23) of Terasen Gas Inc. with the opportunity to enter into a natural gas commodity supply arrangement with a licensed gas marketer.

common carrier(s) An energy transportation provider, typically a crude oil or natural gas pipeline which provides service on a non-discriminatory basis to all potential shippers.

cost of service The total cost of providing service, including operating and maintenance expenses, depreciation, amortization, taxes and cost of capital. The cost of service is also known as "revenue requirements".

cost of service study A study to determine the cost of service by class of service and/or customer. These studies are used to help determine how the revenue requirements are to be allocated among the rates for the various services/customers.

cross subsidization Increasing the rates for one service or class of customers so the rates of another service or class of customers can be reduced below cost.

debt-equity ratio The ratio of money borrowed by the utility to money invested in the utility by shareholders. There is a theoretical optimum for this for each utility.

deferral account An account that records the deferral of a cost or revenue until a future date. A deferred asset account records a cost that would normally be expensed and recovered in the current period, but which is to be expensed or recovered in a future period. A deferred liability account records an amount recovered in the current period, to cover costs of providing service in a future period.

Glossary of Terms

demand-side management (DSM) Efforts to modify customer demand patterns by either increasing end-use energy efficiency or reducing fluctuations in energy demand.

distributed generation Generation that is relatively small scale and located close to the final customer.

distribution system The portion of an electric or natural gas transportation infrastructure that connects end-users to bulk production or transportation facilities.

energy losses Energy lost during transportation from suppliers to end-users. Energy losses on a typical natural gas system are around 1 to 3 percent. Energy losses on a large electric system are around 5 to 8 percent.

export sales Bulk sales of electricity or natural gas outside of British Columbia.

firm capacity The amount of instantaneous energy production or transportation capacity that is available at a defined time.

firm energy The amount of energy that is available over a defined period of time.

fixed cost Costs associated with an energy production or transportation facility which must be paid whether the plant operates or not. Fixed costs generally include capital costs, contract demand charges and operating costs which are committed or unaffected by production levels.

gas cost reconciliation account (GCRA) A deferral account which accumulates the variance in

gas cost variance account (GCVA) actual gas costs from the actual gas revenue recovered in customer rates.

green power rates Rates charged for electricity service from generators which do not pollute or damage the environment. Different groups define "green" power with various levels of restriction. For example, a run of the river hydro plant may be included while a new dam and reservoir may be excluded.

hydroelectric energy, hydroelectricity Electric energy produced by water falling through a turbine generator. In British Columbia, hydroelectricity is the dominant form of electric energy production.

incentive regulation Regulation which rewards utilities for cost savings or other actions which are desired by ratepayers.

independent power producers (IPPs) Non-utility electric energy generators. Until the early 1970s, independent power producers were rare. With recent changes in utility technology and economics, they have become more common. Many issues relating to restructuring of the utility industry involve the role of independent power producers in a deregulated energy market.

information requests Questions posed to those who have filed evidence for a hearing, pertaining to the evidence they have filed. Information requests and their responses are made prior to the hearing, in writing, and become evidence in the hearing. Information requests are also referred to as "interrogatories".

interim rate A rate which is put in place until the regulator can determine the final rates. If the final rates are lower than the interim rates, customers are generally refunded their over-contributions with interest for the period of time the interim rates existed.

Glossary of Terms

interruptible energy, interruptible service Energy flow which can be reduced or cut off on relatively short notice when needed by other customers. Generally, interruptible energy is sold by contract at a reduced price or without fixed charges to end-users, with specific terms and conditions governing interruptibility rights.

investor-owned utility A utility owned by private shareholders.

joule A measure of energy or work done equal to a force of 1 newton applied through a distance of 1 metre. One gigajoule (one billion joules) is roughly equal to energy from 915 cubic feet of natural gas, 29 litres of gasoline, or 278 kWh of electricity.

kilowatt-hour 1,000 watt-hours.

load The amount of energy required by end-users on a given portion of the system at a given time. Load originates primarily at customers' energy-consuming equipment.

load growth Increase in the demand for energy.

load-resource balance The point at which demand for energy exactly equals energy production.

local distribution company (LDC) A utility (natural monopoly) that owns and operates the local delivery network for commodities such as electricity, natural gas and water. In a vertically integrated utility, local delivery is just one of several functions (e.g., BC Hydro). Thus, a LDC only exists when the delivery function has been vertically de-integrated (e.g., Terasen Gas).

market-based rates Prices set freely in a competitive market, rather than prices based on costs of production.

megawatt (MW) 1,000 kilowatts, or 1,000,000 watts.

natural monopoly An industry whose market output is produced at the lowest cost when production is concentrated in the hands of a single firm. The term utility is sometimes applied synonymously with natural monopoly.

natural gas marketer (NGM) Under the Commodity Unbundling program, natural gas

(also see 'residential/commercial commodity marketers are independent businesses that offer alternative

unbundling') gas supply choices such as different terms and conditions to customers. To be able to sell gas under the Commodity Unbundling program, gas marketers must be licensed by the British Columbia Utilities Commission and adhere to the Code of Conduct for Gas Marketers (see <http://www.bcuc.com/NaturalGasMarketers.aspx>)

negotiated settlement process (NSP) A less formal process where the applicant, interested parties and Commission staff meet to review and attempt to negotiate a settlement on some or all aspects of an application. NSP is used to complement or as an alternative to the traditional regulatory process (e.g., oral public or written hearings) in an effort to save time and reduce the cost of utility regulation while achieving sound regulatory outcomes.

peaking gas Gas which is stored or purchased under contracts which will allow delivery during the periods of highest demand.

performance-based rates See "incentive regulation".

petajoule (PJ) 1015 or one quadrillion joules.

quasi-judicial The powers and processes of a regulator which are similar to the courts.

rate base The amount of investment in regulated operations on which a regulated entity is allowed to earn a return. It usually consists of the depreciated value of the plant in service required for regulated operations plus an allowance for working capital and deferred assets.

rate design The methodology for apportioning the revenue requirement to the various classes of utility customers.

rate rider A specific charge on a customer's bill to recover a specific cost over a fixed period of time.

Glossary of Terms

ratepayers The customers of a utility.

rates The prices at which regulated services are provided.

real time pricing (RTP) Variable pricing of electricity in which the price depends on the cost or market value of providing electricity during each time segment. Applying RTP to electricity service results in customer rates that vary according to the specific utility costs at various times.

residential commodity unbundling The program provides residential customers [Rate 1] of

(also see 'commercial commodity unbundling') Terasen Gas with the opportunity to enter into a natural gas commodity supply arrangement with a licensed gas marketer.

retail competition Permitting end-use energy customers to contract directly with energy suppliers for their electricity or natural gas commodity, while continuing to deal with transmission and distribution utilities for the commodity delivery. The energy commodity is generally sourced in a competitive marketplace.

return on equity (ROE) The percentage return allowed for the invested equity of utility shareholders.

revenue requirements See "cost of service"

self-generation Generation of electricity by a customer for part or all of its own load requirements.

spot market A real-time commodity market for immediate sale and delivery of energy products.

time-of-use rates A rate structure that prices electricity at different rates, reflecting the changes in the utility's costs of providing electricity at different times of the day or year.

transmission grid, transportation grid, An interconnected system of high voltage energy

transmission system transportation lines and associated facilities used for bulk transfers of electricity. A high-pressure pipeline used for bulk transfers of natural gas is also referred to as a transmission system.

watt The power required to do work at the rate of one joule per second.

watt-hour One watt-hour is equal to 3,600 joules of energy.

wheeling The service of delivering electricity across a transmission system for a third party.

wholesale markets Wholesale electricity markets are comprised of transactions between buyers and sellers of bulk power at points on a high voltage transmission system.

wholesale rates The unit prices charged for bulk energy services.

Energy Conversion Factors

Fuel Type		Original Measure	Terajoules
Coal		1 kilotonne	29.53
Coke		1 kilotonne	28.83
Petroleum Coke		1 megalitre	42.38
Natural Gas		1 gigalitre	38.35
Crude Oil		1 megalitre	38.51
Diesel Fuel Oil		1 megalitre	38.67
Light Fuel Oil		1 megalitre	38.67
Heavy Fuel Oil		1 megalitre	41.73
Aviation Gasoline		1 megalitre	33.52
Aviation Turbo Fuel		1 megalitre	35.93
Propane		1 megalitre	25.50
Butane		1 megalitre	28.60
Hydro-electricity		1 gigawatt hour	3.60
Thermal Electricity		1 gigawatt hour	3.60
Hog Fuel		1 megalitre SWE*	7.69 - 9.10
Kilo	103	1 megalitre	1,000 cubic metres
mega	106	1 Btu	1054.615 joules
giga	109	1 barrel	0.15891 cubic metres
tera	1012	1 cubic foot	0.02832784 cubic metres
peta	1015	1 gallon	4.54609 litres
		1 cubic foot of natural gas	1-3- Btus

* SWE = solid wood equivalent

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